AMAJUBA DISTRICT MUNICIPALITY

2015/16 TO 2017/18

DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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- In the foyers of all municipal buildings
- All public libraries within the municipality
- At www.amajuba.gov.za

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	City Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

Mayor's Report

After great thought and time, I present to you the Amajuba District Municipality's draft 2015/16 Financial Year. I thank the Finance Department and all our Directors for the many hours spent in developing this budget for the upcoming Financial Year. The bigger chunk of our budget goes towards water and sanitation projects.

Given the present economic situation in our country we must balance the cost and services that Amajuba District Municipality provides to the citizens of our district.

We acknowledge the capacity challenges within the Chief Finance Officer's office which resulted in the municipality releasing the former Chief Financial Officer. We further note regression in our previous Financial Year. Plans and processes have already resumed ensuring that we do not repeat the same mistakes. Part of that is that we have already started the process of recruiting the qualified and experienced Chief Financial Officer. We will further invest our efforts in enhancing capacity within our staff members.

The operational revenue budget has been estimated at R 143,652,770 with the expenditure budget at R138, 459,101.

The current economic conditions demand that all municipalities or government institutions need to start at looking at means of generating the required revenue. This obviously might not be received well by the residents but if we have the intentions to continue providing the improved services we will need to look at increasing our tariffs.

Increasing tariffs will not only assist in continuing with providing services but will also enable us to maintain the existing infrastructure or develop new infrastructure.

In closing, I look forward to meeting and speaking with the citizens of Amajuba District with regards to the tabled draft budget. These meetings will enable us to gather more information and inputs from the people we serve. This is the budget for our people; the views of the citizens are of great importance in the finalisation of this plan. My office stands ready to assist with your questions on any topic related to how we spend money allocated to provide services to the people we serve.

Integrated Development Plan

The Integrated Development Planning is a process through which a Municipality, its constituencies, various service providers, interested and affected parties come together to identify development needs, outline clear objectives and strategies which serve to guide the allocation and management of resources within the Municipals jurisdictional area. From this planning g process emanates the

Municipal Integrated Development Plan (IDP), whose main objective is the improvement of coordination and integration of planning, budgeting and
development within a Municipal area.

As a five (5) Year budgeting, decision-making, strategic planning and development tool, the IDP is used by the Municipality to fulfil its role of 'developmental local governance'.
Central to this are the overarching objectives and strategies encapsulated in the plan, which guides the Municipality in the realm of:

- Municipal Budgeting;
- Institutional restricting in order to realize the strategic intent of the plan;
- Integrating various Sectors in the form of Infrastructure, Land Use, Agriculture with Socioeconomicand Ecological dimensions; and
- Performance Management System

What is an IDP and why do we need an IDP?

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- Institutional restricting in order to realize the strategic intent of the plan;
- Integrating various Sectors in the form of Infrastructure, Land Use, Agriculture with Socio-economic and Ecological dimensions; and
- Performance Management System

Operating and Capital Budget

The draft budget is prepared and presented to Council in line with the MFMA requirements. The MFMA requires that the Mayor must table the draft budget 90 days before the start of the financial year. After the draft budget has been tabled in Council, the Mayor must conduct a public participation process where by the public is afforded the opportunity to comment on the budget and make any recommendations to be considered during the budget process.

The draft budget as tabled, confirms the heavy dependence of Amajuba DM on grant funding to fund service delivery.

What is a budget?

A budget is a spending plan that indicates how available funds will be used to cater for community needs. It is also a financial planning tool used to project future income and expenditure which the municipality is expected to engage in.

Why do we need a Budget?

- To provide a forecast of revenues and expenditure;
- To enable the actual financial operations of the municipality to be measured against the forecast; and
- To promote access to information by informing the residents how the municipality will utilize the resources available;

Budget Highlights

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework

Table 1 and Table 2provides executive summary on both revenue budget and expenditure budget.

Description	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
OPERATING AND CAPITAL BUDGET					
OPERATING REVENUE BUDGET	143,652,770	145,458,721	166,291,242	173,093,903	183,072,944
CAPITAL BUDGET	54,383,500	74,855,873	70,515,211	61,176,000	64,391,000
TOTAL REVENUE BUDGET	**198,036,270**	**220,314,594**	**236,806,454**	**234,269,903**	**247,463,944**

The total revenue budget including operating and capital transfers amount to R236 806 454 million for 2015/16, R234 269 903 million for 2016/17 and R247 463 944 million for 2017/18. The total revenue budget has increased by R11 000 million from the 2013/14 Approved budget and increased by R16 491 860 million from the 2014/15 Adjustment budget.

Table 2

Description	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
OPERATING AND CAPITAL BUDGET					
OPERATING EXPENDITURE BUDGET	139,959,101	144,156,464	164,774,907	171,996,463	181,095,504
CAPITAL EXPENDITURE BUDGET	54,383,500	74,855,873	70,515,211	61,176,000	64,391,000

	TOTAL EXPENDITURE BUDGET	**194,342,601**	**219,012,337**	**235,290,118**	**233,172,463**	**245,486,504**

The total Expenditure budget amount to R 235 290 118 million for 2015/16 MTREF and R 233 172 463 million for 2016/17 and R 245 486 504 million for 2017/18. The total expenditure budget has increased by R40 947 517 million from the 2014/15 approved budget and R16 277 781 from adjustment budget 2014/2015

The Operating surplus of R1 516 665 million is prioritized to be re-invested in cash –backing of conditional grants that was utilized due to cashflow deficits experienced during the prior financial year.

Operational Budget

The operational revenue budget has been estimated at R 143,652,770 with the expenditure budget at R138, 459,101.

For The Amajuba District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

Table 3 Consolidated Overview of the 2015/16 MTREF-OPERATING REVENUE

Description	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
REVENUE PER SOURCE					
Water Sales	12,372,500	14,800,655	21,868,731	23,071,511	24,294,301
Sanitation Sales	2,519,650	3,650,800	4,542,206	4,792,028	5,046,005
Interest on Overdue Account	-	1,210,000	1,210,000	1,276,550	1,344,207
CONNECTION FEE;	-	358,900	358,900	378,640	398,707
Interest Earned-Ext Invest	-	300,000	350,000	369,250	388,820
Equitable Share-FBS Portion	12,374,292	12,374,292	13,335,680	13,953,762	14,595,575
Levies Replacement Grant;	56,588,000	56,588,000	60,795,000	65,938,000	71,128,000
Finance Management Grant;	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
MSIG Grant;	934,000	934,000	940,000	960,000	1,033,000
Equitable Share-Community Services Component	5,676,326	5,676,326	6,117,333	6,400,859	6,695,271
Infrastructure-Intergrated Development					
MIG-Admin Recovery	2,082,500	-	972,001	1,025,461	1,079,810
Equitable Share-FBS Portion-WSA	37,746,382	37,746,382	40,678,987	42,564,379	44,522,154
DWAF Water Operating Subsidy			3,000,000	-	-
ROAD ASSET MANAGEMENT SYSTEM	-	-	2,007,000	2,064,000	2,201,000
Tele/Cellphone Cost Recovered	62,000	20,000	20,000	21,100	22,218
Rental Income	285,120	285,120	313,632	330,882	348,418
Tender Deposits	12,000	20,000	20,000	21,100	22,218
Rental facilities-Hall Hire	100,000	50,000	50,000	52,750	55,546
Skills Development Grant ;	400,000	250,000	200,000	211,000	222,183
Shared Services Grant -DPSS	1,000,000	1,000,000	250,000	400,000	-
Small Town Rehabilitation Programme-PSC	5,000,000	-	-	-	-
Corridor Development-PSC	5,000,000	-	-	-	-
Reclaimed Vat from Conditional grants	-	8,694,246	7,761,772	7,762,632	8,175,509
TOTAL DIRECT OPERATING INCOME	**143,652,770**	**145,458,721**	**166,291,242**	**173,093,903**	**183,072,944**

Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

• Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;

• Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent households); and

• Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A summary of the proposed tariffs for households (residential) and non-residential are as follows

Service / Category	**2015 Excl vat**	**Proposed 2016 Excl vat**	R increased	% increased
Water supply				
-				
Residential/Charitable/Religeous				
0kl-6kl	-	8.73	8.73	
7kl-20kl	6.73	9.61	2.88	45%
21kl-40kl	7.67	10.57	2.90	40%
41kl-60kl	7.93	12.15	4.22	56%
60kl+	8.19	13.98	5.79	75%
			-	
Business & Industry per KL			-	
0kl-6kl	7.52	8.96	1.44	20%
7kl-20kl	8.45	9.61	1.16	15%
21kl-40kl	8.71	10.57	1.86	23%
41kl-60kl	8.98	12.15	3.17	37%
60kl+	9.24	13.79	4.55	52%
Other				
0kl-6kl	9.63	11.05	1.42	20%
7kl-20kl	7.39	8.55	1.16	15%
21kl-40kl	7.66	9.55	1.89	23%
41kl-60kl	7.92	11.10	3.18	37%
60kl+	8.18	12.70	4.52	52%
Raw water per kl	**4.75**	**5.46**	**0.71**	**15%**
Sanitation				
All customers per KL	3.42	4.72	1.30	40%

Emptying septic tanks per load	396.63	565.00	168.37	45%
Availability charge				
Serviced vacant land	100.14	110.16	10.01	10%
Business water services fixed charge	34.37	37.81	3.44	10%
-				
Industrial water services fixed charge	34.37	37.81	3.44	10%
Business & Industrial saitation services fixed charge	65.77	72.35	6.58	10%
-				
Testing of meters				
Exceeds 50mm	Cost + 10%	Cost + 10%		
-				
New connections				
Water				
Connections 25mm and less	Cost + 10%	Cost + 10%		
-				
Connections greater than 25mm	Cost + 10%	Cost + 10%		
Sanitation				
All connections	Cost + 10%	Cost + 10%		
Deposits				
Domestic	642.00	700.00	58.00	9%
Commercial	642.00	1,300.00	658.00	102%
Reconnection Fee	56.68	100.00	43.32	76%
Minor Tariffs				
Hall Hire				
Sports Complex Conference Hall				
Hire Fees	1,500.00	1,900.00	400.00	27%
Refundable Deposit	1,500.00	1,900.00	400.00	27%
Sports Complex Church Hall				
Hire Fees	New	1,200.00		
Refundable Deposit	New	1,200.00		
Sports Complex Ingwe Room				
Hire Fees	New	500.00		

Refundable Deposit	New	500.00		
Dannhauser 42 Community Hall				
Hire Fees	New	300.00		
Refundable Deposit	New	300.00		
Dannhauser Springbok Community Hall				
Hire Fees	New	300.00		
Refundable Deposit	New	300.00		
Dannhauser Milford Community Hall				
Hire Fees	New	300.00		
Refundable Deposit	New	300.00		
Dannhauser Emfundweni Community Hall				
Hire Fees	New	300.00		
Refundable Deposit	New	300.00		
Dannhauser Mgidazi Community Hall				
Hire Fees	New	300.00		
Refundable Deposit	New	300.00		
Newcastle Dick's Community Hall				
Hire Fees	New	300.00		
Refundable Deposit	New	300.00		
Emadlangeni Groenvlei Community Hall				
Hire Fees	New	300.00		
Refundable Deposit	New	300.00		

OPERATING EXPENDITURE BY TYPE

The municipality‟s expenditure framework for the 2015/2016 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/2016 budget and MTREF (classified per main type of operating expenditure).

Description	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
EXPENDITURE PER CATERGORY					
Salaries , Wages & Allowances	70,949,501	66,332,766	81,241,639	85,709,929	90,252,556
Remuneration of Councillors	5,395,498	5,395,498	5,708,437	6,022,401	6,341,588
Depreciation	5,161,563	5,455,000	2,685,000	2,838,800	2,993,379
Repairs & Maintenance	3,770,000	6,252,500	8,210,000	9,362,050	9,628,959
Bulk Water Purchases	5,000,000	7,500,000	9,509,470	10,032,491	10,564,213
General Costs	43,957,539	48,995,700	49,929,678	51,317,221	53,800,708
TOTAL DIRECT OPERATING EXPENDITURE	**134,234,101**	**139,931,464**	**157,284,224**	**165,282,893**	**173,581,403**
Contributions to capital	1,500,000	1,600,000	1,080,000	30,000	20,000
Contributions to funds	2,725,000	2,125,000	2,725,000	2,775,875	3,527,596
Interest -External Loans	1,500,000	500,000	3,685,682	3,907,695	3,966,505
TOTAL OPERATING EXPENDITURE	**139,959,101**	**144,156,464**	**164,774,907**	**171,996,463**	**181,095,504**

CAPITAL BUDGET

The capital budget is estimated at R 70 515 211 for the 2015/16 financial year and R 61,176,000 and R 64,371,000 respectively for the 2016/17 and 2017/18 financial years. The capital budget is funded from grants – mainly the Municipal Infrastructure Grant (MIG) and Municipal Water Infrastructure Grant(MWIG). The municipality does not have any funding of its own to fund capital projects. Consequently, the municipality is not in a position to transfer any funding to the local municipalities to fund projects. The Municipality intends to take a Loan for the Purchase of Fleet for this financial Year, repayments are calculated over a 60 month(5year) period.

The following table provides a breakdown of budgeted single- and multi-year capital expenditure by vote and the following projects have been provided for:

Description		CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
		2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
		Original Budget	Adjustment Budget	Budget Year +1	Budget Year +2	Budget Year +3
CAPITAL EXPENDITURE IDP-GRANT FUNDED PROJECTS						
MIG GRANT FUNDING PROJECTS						
9503/9517/9501	EMADLANGENI SANITATION-MIG;	12,993,892	1,954,393	5,823,589.00	7,998,112	8,916,305.00
9503/9623/9501	DISASTER MANAGEMENT -MIG FUNDING		13,664,237	10,000,000.00	13,635,888	11,989,695.00
9503/9522/9501	BUFFALO FLATS WATER - PHASE 3	6,863,054	8,101,370	15,000,000.00	20,000,000	23,000,000
9503/9524/9501	BUFFALO FLATS SANITATION;TRA	19,710,554	16,000,000	7,897,411.00		
9503/9001/9501	ADM WSDP		1,930,000	2,000,000.00		
	SUB TOTAL	**39,567,500**	**41,650,000**	**40,721,000**	**41,634,000**	**43,906,000**
MWIG GRANT FUNDED PROJECTS						
9503/9525/9501	MWIG - Emadlangeni Rural Water Supply Phase 1	5,399,120	5,399,120	3,000,000	-	
9503/9526/9501	MWIG - Emadlangeni Rural Water Supply Phase 2	6,640,880	9,985,707	7,000,000	9,150,000.00	10,100,000.00
9503/9590/9501	Bufallo Flats Water Supply Scheme Phase 4	-	1,237,142	2,000,000		
9504/9592/9501	WCWDM Master Plan	-	2,242,727	7,825,000	5,983,000.00	5,865,000.00
	SUB TOTAL	**12,040,000**	**18,864,696**	**19,825,000**	**15,133,000**	**15,965,000**
DWAF & PUBLICWORKS PROGRAMME PROJECTS						
9503/9399/9501	PUBLIC WORKS GRANT EXPENDITU	1,276,000	1,276,000	1,252,000	-	-
9503/9528/9501	RURAL Households Sanitation(DOHS)	-	1,465,177	-	4,379,000	4,500,000
9504/9574/9501	ACIP-CALL CENTRE EXPENDINTUR	-	1,000,000			
9504/9575/9501	Regional Bulk Infrastructure Grant	-	8,000,000	-		
9504/9591/9501	CMS/FMS (Call Centre)	-	1,000,000			
	SUB TOTAL	**1,276,000**	**12,741,177**	**1,252,000**	**4,379,000**	**4,500,000**
TOTAL GRANT FUNDED IDP PROJECTS		**52,883,500**	**73,255,873**	**61,798,000**	**61,146,000**	**64,371,000**

ENGINEERING						
OPERATING CAPITAL -CONTRIBUTIONS FROM OWN REVENUE						
9511/9543/9501	Office Furniture & Equipment-Municipal Manager	-				
9505/9529/9501	Office Furniture & Equipment-Corporate Services	-	12,000			
9505/9532/9501	Corporte Services - BUILDING & Alternative Energy	-		850,000		
9507/9534/9501	Office Furniture & Equipment-Technical Services	-	30,000			
9508/9536/9501	Office Furniture & Equipment-Community	-				
9506/9533/9501	Office Furniture & Equipment-Financial services	-	8,000	50,000	30,000	20,000
9510/9542/9501	Office Furniture & Equipment-Planning & development	-	50,000	180,000		
9512/9557/9501	Call Centre	1,500,000	1,500,000			
9505/9529/9501	Fleet Purchase -Loan Funding-Capital			7,637,211		
	TOTAL	**1,500,000**	**1,600,000**	**8,717,211**	**30,000**	**20,000**
TOTAL CAPITAL EXPENDITURE		**54,383,500**	**74,855,873**	**70,515,211**	**61,176,000**	**64,391,000**

Employee related costs

Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2012 to 30 June 2015 has come to an end. The South African Local Government Association issued a press release on 03 March 2015 indicating that it tabled the following offer for salaries and wages increase:

- 2015/16 Financial Year – 4.4 per cent (inflation linked)
- 2016/17 and 2017/18 Financial Years – inflation related increase plus additional 0.25 per cent

As the negotiations are still underway, municipalities are advised to use the above proposed guidelines in preparing their 2015/16 budgets.

5.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in line with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published by the Department of Cooperative

Table .SUMMARY OF COUCILLORS RENUMERATION AND MUNICIPAL OFFICIALS RENUMERATION

Description	CURRENT YEAR	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
SALARIES WAGES AND ALLOWANCES					
Salaries , Wages & Allowances	70,949,501	66,332,766	81,241,639	85,709,929	90,252,556
Remuneration of Councillors	5,395,498	5,395,498	5,708,437	6,022,401	6,341,588
TOTAL RENUMERATION	**76,344,999**	**71,728,264**	**86,950,076**	**91,732,330**	**96,594,144**

TABLE 2.1: DETAIL SALARY BUDGET

	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
	Original Budget	Adjustment Budget	Budget Year +1	Budget Year +2	Budget Year +3
REMUNERATION OF COUNCILLORS					
Executive Mayor;	619,646	619,646	655,585	691,643	728,300
Deputy Mayor;	584,081	584,081	617,958	651,945	686,498
Speaker-EXCO;	584,081	584,081	617,958	651,945	686,498
Councillors;	2,019,976	2,019,976	2,137,135	2,254,677	2,374,175
Executive Committee;	1,587,714	1,587,714	1,679,801	1,772,190	1,866,117
SubTotal	**5,395,498**	**5,395,498**	**5,708,437**	**6,022,401**	**6,341,588**
EMPLOYEE RELATED COSTS - WAGES & SALARIES					
Salaries & Allowances;	50,792,692	43,538,516	56,279,690	59,375,072	62,521,951
Standby Allowance	572,931	679,276	669,547	706,373	743,810
Shift Allowance	311,207	65,791	172,296	181,772	191,406
Overtime;	1,090,000	3,470,000	3,664,448	3,865,993	4,070,890
SubTotal	**52,766,830**	**47,753,583**	**60,785,981**	**64,129,209**	**67,528,058**
EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS					
Bonuses;	4,593,506	3,891,090	4,106,855	4,332,732	4,562,367
Travel Allowance;	4,152,712	5,088,598	5,270,372	5,560,243	5,854,936
Housing Allowance;	403,516	337,649	354,201	373,682	393,487
Telephone;	685,048	624,984	758,184	799,884	842,278
Medical Aid Contributions;	2,292,311	2,599,248	3,080,045	3,249,447	3,421,668
Pension Fund Contributions;	5,453,843	5,444,659	6,103,909	6,439,624	6,780,924
Group Life Contribution;	290,045	304,818	404,715	426,974	449,603
UIF Contributions;	296,983	274,081	351,140	370,453	390,087

Bargaining Council Contribut	14,707	14,056	19,038	20,085	21,150
Clothing Allowance	-	-	7,200	7,596	7,999
SubTotal	**18,182,671**	**18,579,183**	**20,455,659**	**21,580,720**	**22,724,498**
-	-				
TOTAL RENUMERATION	**76,344,999**	**71,728,264**	**86,950,076**	**91,732,330**	**96,594,144**

Three-Year Operational Plan

TABLE 3: SUMMARY OF OPERATING BUDGET PER DEPARTMENT

	Description	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
		2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
		Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
OPERATING BUDGET BY DEPARTMENT(VOTE)						
	COUNCIL AND EXECUTIVE COMMITTEE	5,835,498	5,780,498	6,143,437	6,487,451	6,835,408
	DIRECTORATE :MUNICIPAL MANAGER	11,072,760	9,846,017	11,005,076	11,610,355	12,225,704
	DIRECTORATE-BUDGET AND TREASURY	13,108,378	13,561,549	14,668,664	15,427,987	16,182,146
	DIRECTORATE CORPORATE AND PROPERTY MANAGEMENT	13,548,539	13,233,000	25,806,783	26,433,406	27,843,596
	DIRECTORATE COMMUNITY AND SOCIAL SERVICES	9,467,747	7,443,774	8,485,532	8,952,237	9,426,705
	DIRECTORATE COMMUNITY-ENVIRONMENTAL HEALTH	2,786,331	2,935,466	3,309,177	3,491,182	3,676,214
	DIRECTORATE COMMUNITY-TOUSONG SERVICES	679,012	644,483	659,992	696,291	733,195
	DIRECTORATE COMMUNITY-DISASTER MANAGEMENT	6,233,580	6,970,005	5,547,635	5,852,755	6,162,951
	DIRECTORATE PLANNING AND LOCAL ECONOMIC DEVELOPMENT	27,637,904	15,029,144	19,936,264	20,842,859	21,947,531
	DIRECTORATE ENGINEERING SERVICES -PMU	7,719,569	6,661,632	11,400,737	11,974,392	12,636,643
	DIRECTORATE ENGINEERING SERVICES -WATER AND SANITATION SERVICES	28,088,320	52,822,393	57,811,610	60,227,548	63,425,410
	TOTAL OPERATING BUDGET	**126,177,638**	**134,927,961**	**164,774,907**	**171,996,463**	**181,095,504**

CAPITAL PROJECTS

Description	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
	Original Budget	Adjustment Budget	Budget Year +1	Budget Year +2	Budget Year +3
CAPITAL EXPENDITURE IDP-GRANT FUNDED PROJECTS					

MIG GRANT FUNDING PROJECTS						
	EMADLANGENI SANITATION-MIG;	12,993,892	1,954,393	5,823,589.	7,998,112	8,916,305.
	DISASTER MANAGEMENT -MIG FUNDING		13,664,237	10,000,000.	13,635,888	11,989,695
	BUFFALO FLATS WATER -PHASE 3	6,863,054	8,101,370	15,000,000.	20,000,000	23,000,000
	BUFFALO FLATS SANITATION;TRA	19,710,554	16,000,000	7,897,411.	0	0
	ADM WSDP		1,930,000	2,000,000.	0	0
	SUB TOTAL	**39,567,500**	**41,650,000**	**40,721,000**	**41,634,000**	**43,906,000**
MWIG GRANT FUNDED PROJECTS						
	MWIG - Emadlangeni Rural Water Supply Phase 1	5,399,120	5,399,120	3,000,000	-0	0
	MWIG - Emadlangeni Rural Water Supply Phase 2	6,640,880	9,985,707	7,000,000	9,150,000	10,100,000
	Bufallo Flats Water Supply Scheme Phase 4	-	1,237,142	2,000,000	0	0
	WCWDM Master Plan	-	2,242,727	7,825,000	5,983,000	5,865,000
	SUB TOTAL	**12,040,000**	**18,864,696**	**19,825,000**	**15,133,000**	**15,965,000**
	PUBLIC WORKS GRANT EXPENDITU	1,276,000	1,276,000	1,252,000	-0	-0
	RURAL Households Sanitation(DOHS)	-	1,465,177	-0	4,379,000	4,500,000
	ACIP-CALL CENTRE EXPENDINTUR	-	1,000,000	0	0	0
	Regional Bulk Infrastructure Grant	-	8,000,000	-0	0	0
	CMS/FMS (Call Centre)	-	1,000,000	0	0	0
	SUB TOTAL	**1,276,000**	**12,741,177**	**1,252,000**	**4,379,000**	**4,500,000**
TOTAL GRANT FUNDED IDP PROJECTS ENGINEERING		**52,883,500**	**73,255,873**	**61,798,000**	**61,146,000**	**64,371,000**
OPERATING CAPITAL -CONTRIBUTIONS FROM OWN REVENUE						
	Office Furniture & Equipment-Corporate Services	-0	12,000	0	0	0
	Corporte Services -BUILDING & Alternative Energy	-0	0	850,000	0	0
	Office Furniture & Equipment-Technical Services	-0	30,000	0	0	0
	Office Furniture & Equipment-Financial services	-0	8,000	50,000	30,000	20,000
	Office Furniture & Equipment-Planning & development	-0	50,000	180,000	0	0
	Call Centre	1,500,000	1,500,000	0	0	0
	Fleet Purchase -Loan Funding-Capital	0	0	7,637,211	0	0
	TOTAL	**1,500,000**	**1,600,000**	**8,717,211**	**30,000**	**20,000**
TOTAL CAPITAL EXPENDITURE		**54,383,500**	**74,855,873**	**70,515,211**	**61,176,000**	**64,391,000**

The following programmes have been provided for during the MTREF period:

DESCRIPTION	**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**		
	2015/2016	**2016/2017**	**2017/2018**
	Budget Year +1	**Budget Year +2**	**Budget Year +3**

PROGRAMMES AND CAMPAIGNS			
Marketing & Corporate Image;	300,000	316,500	333,275
MSIG Grant Expenditure;	940,000	960,000	1,033,000
Financial Management Grant E	1,500,000	1,500,000	1,500,000
Contract Management System & Legal Library	60,000	63,300	66,655
Senior Citizens Programme;	150,000	158,250	166,637
Disabled Programmes;	200,000	211,000	222,183
HIV/AIDS Plan Implementation	250,000	263,750	277,729
Youth;	200,000	211,000	222,183
Gender Programs;	200,000	211,000	222,183
Arts & Culture;	250,000	263,750	277,729
Children Programs;	250,000	263,750	277,729
SALGA-KZN Games	1,200,000	1,266,000	1,333,098
Health and Hygiene Campaign	300,000	316,500	333,275
Vector Control Programme	20,000	21,100	22,218
Call Centre Management	1,600,000	1,688,000	1,777,464
Poverty Alleviation;	300,000	316,500	333,275
Environmental Management	500,000	527,500	555,458
Tourism Strategy Implementation Support;	200,000	211,000	222,183
LED Strategy Implementation Support;	450,000	474,750	499,912
GIS Management;	200,000	211,000	222,183
LED Manufacturing Strategic	400,000	422,000	444,366
LED Agricultural Strategic S	500,000	527,500	555,458
IDP Public Participation;	600,000	633,000	666,549
PROJECT INITIATION FUND;	2,500,000	2,637,500	2,777,288
SPATIAL PLANNING SUPPORT;	400,000	422,000	444,366
DIMS IMPLEMENTATION AND MANAGEMENT;	250,000	263,750	277,729
Led-Infrastructure;	600,000	633,000	666,549
Disaster Manage Capacity Bui	50,000	52,750	55,546
Disaster Management Implemen	50,000	52,750	55,546
Disaster Relief Intervention	500,000	527,500	555,458
Prevention Program;	300,000	316,500	333,275
Disaster Volonteer and int;	396,000	417,780	439,922
Water Tanker Delivery Servic	5,000,000	4,000,000	4,000,000
VIP De-Sludging Costs;	2,500,000	2,000,000	2,106,000
Road Asset Management Expens	2,007,000	2,064,000	2,201,000
SubTotal	**25,123,000**	**24,424,680**	**25,477,416**

Let us continue to serve our people with dignity and respect!

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Cllr JCN Khumalo

Mayor – Amajuba District Municipality

Council Resolutions

COUNCIL MEETING	**:**	**C/ 07/2015-2015**
MEETING DATE	**:**	**27 MARCH 2015**
COMPILED BY	**:**	**ACTING CFO**
FILE NO.	**:**	**5/1/1**

DRAFT CAPITAL AND OPERATING BUDGET FOR THE 2015/2016 MTREF PERIOD

1. PURPOSE

To table to Council the proposed draft Capital and Operating Budget for the 2015/2018 MTREF period.

2. BACKGROUND

In accordance with Section 16 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, the Mayor must table a proposed Capital and Operating Budget for consideration at least 90 days before the start of the financial year.

3. DISCUSSION

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- The proposed draft budget has been prepared and is brought before Council for consideration.
- The draft budget is being tabled to Council by the Mayor 90 days before the start of the financial year in accordance with Section 16(2) of the MFMA
- The draft budget will be publicized and submitted to both Provincial Treasury and National Treasury for their comments and/or inputs.
- A series of public consultation meetings to solicit public comments on the draft budget will be held during April 2015
- The table below reflects proposed budget per expenditure type:

	Current Year		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
	BUDGET	ADJUSTMENT BUDGET	BUDGET	BUDGET	BUDGET
OPERATING EXPENDITURE					
Salaries , Wages & Allowances	70,949,501	66 332 766	81 241 639	85 709 929	90 252 556
Remuneration of Councillors	5,395,498	5 395 498	5 708 437	6 022 401	6 341 588
Depreciation	5,161,563	5 455 000	2 685 000	2 838 800	2 993 379
Repairs & Maintenance	3,770,000	6 252 500	8 210 000	9 362 050	9 628 959
Bulk Water Purchases	5,000,000	7 500 000	9 509 470	10 032 491	10 564 213
Contracted Services	-	-	-	-	-
General Costs	43,957,539	48 995 700	49 929 678	51 317 221	53 800 708
Operating Projects	-	-	-	-	-
	134,234,101	**139 931 464**	**157 284 224**	**165 282 893**	**173 581 403**
Contributions to capital	1 500 000	1 600 0000	1 080 0000	30 000	20 000
Contributions to funds	2 725 0000	2 125 000	2 725 0000	2 775 875	3 527 596
Interest -External Loans	1 500 000	500 000	3 685 682	3 907 695	3 966 505
	139 959 101	**144 156 464**	**164 774 907**	**171 996 463**	**181 095 504**

The detailed draft operating and capital budget is attached as annexure.

In order to facilitate wider consultation on the budget, the following arrangements will be put in place:

1. All political parties represented in Council are encouraged to make 2015/2016 Draft Budget and Medium Term Revenue Expenditure Framework submissions by not later than the end of business day on Tuesday the 24th March 2015.
2. The submissions will be considered in the workshop that will be held on the 27th March 2015 at 09h00 before Council draft budget seating.

4. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The MFMA under Section 16(2) requires that the draft budget be tabled for consideration by Council 90 days before the beginning of the financial year. After tabling, the budget must then be subjected to a public consultation process and the views and/or comments of the National Treasury and the Provincial Treasury be solicited.

5. FINANCIAL IMPLICATIONS

The Operating Expenditure Budget is mainly funded from the equitable share and the levy replacement grant allocations. The Capital Expenditure Budget is funded mainly by the municipal infrastructure grant as well as the municipal water infrastructure grant allocations.

6. RECOMMENDATIONS

It is recommended to RESOLVE **THAT**:

3. Council, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) :

1.1.1 The Draft Operating Expenditure Budget for the 2015/16 financial year amounting to R164 774 907 as well as the appropriations for the outer years of the MTREF period of R171 996 463 for the 2016/17 and R181 095 544 for the 2017/18 financial years be approved;

1.1.2 Loan Fleet acquisition process is in progress with the estimated loan amount of R7 637 211 and the estimated interest amount of R986 247 for 12 vehicles. Annexure A attached lists the vehicle description. The estimated annual redemption inclusive of interest is R3 164 966.

1.1.3 The Draft Operating Revenue Budget for the 2015/2016 financial year amounting to R166 291 242 as well as the appropriations for the outer years of the MTREF period of R173 093 903 for the 2016/17 and R183 072 944 for the 2017/2018 financial years be approved;

1.1.4 The Draft Capital Budget allocation of R41 623 000 to be funded mainly from Municipal Infrastructure Grant (MIG) allocation, the Municipal Water Infrastructure Grant (MWIG) allocation as well as internal funding be approved;

1.1.5 The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the following amendments to the water tariff structure:

A. WATER

Service / Category	**Approved 2015**	**Proposed 2016**	**R increased**	**% increased**
Water supply				
Residential/Charitable/Religious				
0kl-6kl	FREE	8.73	8.73	NEW
7kl-20kl	6.73	9.61	2.88	45%

21kl-40kl	7.67	10.57	2.90	40%
41kl-60kl	7.93	12.15	4.22	56%
60kl+	8.19	13.98	5.79	75%
Service / Category	**Approved 2015**	**Proposed 2016**	**R increased**	**% increased**
Business & Industry per KL				
0kl-6kl	7.52	8.96	1.44	20%
7kl-20kl	8.45	9.61	1.16	15%
21kl-40kl	8.71	10.57	1.86	23%
41kl-60kl	8.98	12.15	3.17	37%
60kl+	9.24	13.79	4.55	52%
Other				
0kl-6kl	9.63	11.05	1.42	20%
7kl-20kl	7.39	8.55	1.16	15%
21kl-40kl	7.66	9.55	1.89	37%
41kl-60kl	7.92	11.10	3.18	37%
60kl+	8.18	12.70	4.52	52%
Raw water per KL	4.75	5.46	0.71	15%

1.1.6 The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the following amendments to the sanitation tariff structure:

B. SANITATION

Service / Category	Approved 2015	Proposed 2016	R increased	% increased
Sanitation				
All customers per KL	3.42	4.72	1.30	40%
Emptying septic tanks per load	396.63	565.00	168.37	45%

Availability charge				
Serviced vacant land	100.14	110.16	10.01	10%

1.2 The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the following amendments to its general tariff structure:

C. CONSUMER DEPOSITS AND METER INTERFERENCE

Service / Category	Approved 2015	Proposed 2016	R increased	% increased
Domestic	642.00	700.00	58.00	9%
Commercial	642.00	1300.00	658.00	102%
Water meter interference				
First offence	New Tariff	2 500.00		
Second offence	New Tariff	Meter removal		

D. MINOR TARIFFS

Service / Category	Approved 2015	Proposed 2016	R increased	% increased
Amajuba Sports Complex(old Monte Vista Complex) Hall Hire				
Hire fees	1 500.00	1 900.00	400.00	27%
Refundable deposit	1 500.00	1 900.00	400.00	27%
Sports Complex Church				
Hire fees	New	1 200.00		
Refundable deposit	New	1 200.00		
Sports Complex Ingwe Room				
Hire fees	New	500.00		
Refundable deposit	New	500.00		
Dannhauser 42 Community Hall				

Hire fees	New	300.00		
Refundable deposit	New	300.00		
Dannhauser Springbok Community Hall				
Hire fees	New	300.00		
Refundable deposit	New	300.00		
Dannhauser Milford Community Hall				
Hire fees	New	300.00		
Refundable deposit	New	300.00		
Dannhauser Emfundweni Community Hall				
Hire fees	New	300.00		
Refundable deposit	New	300.00		
Dannhauser Mgidazi Community Hall				
Hire fees	New	300.00		
Refundable deposit	New	300.00		
Newcastle Dick's Community Hall				
Hire fees	New	300.00		
Refundable deposit	New	300.00		
Emadlangeni Groenvlei Community Hall				
Hire fees	New	300.00		
Refundable deposit	New	300.00		

E. GIS TARIFF IMPLICATIONS

Service / Category	Approved 2015	Proposed 2016	R increased	% increased
Full Ink/GreyScale A3 PRINTER (HP 1220C				
A4	25.00	27.00	2.00	6.5%

A3	35.00	37.00	2.00	6.5%
Full Ink/GreyScale: A0 PLOTTER (HP 800)				
A2	80.00	85.00	5.00	6.5%
A1	120.00	128.00	8.00	6.5%
A0	150.00	160.00	10.00	6.5%
1:50000 Backdrop:A3 PRINTER (HP 1220C				
A4	20.00	21.00	1.00	6.5%
A3	30.00	32.00	2.00	6.5%
1:50000 Backdrop: A0 PLOTTER (HP 800)				
A2	55.00	59.00	4.00	6.5%
A1	85.00	91.00	6.00	6.5%
A0	110.00	117.00	7.00	6.5%
Line:A3 PRINTER (HP 1220C				
A4	10.00	11.00	1.00	
A3	20.00	21.00	1.00	
Line: A0 PLOTTER (HP 800)				
A2	45.00	48.00	3.00	
A1	65.00	70.00	5.00	
A0	85.00	91.00	6.00	
Lamination:A3 PRINTER (HP 1220C				
A4	-			
A3	-			
Lamination: A0 PLOTTER (HP 800)				
A2	-			
A1	-			
A0	120.00	128.00	8.00	6.5%

Digital/Softcopy Map Burning:A3 PRINTER (HP 1220C				
A4	20.00	21.00	1.00	6.5%
A3	20.00	21.00	1.00	6.5%
Digital/Softcopy Map Burning: A0 PLOTTER (HP 800)				
A2	20.00	21.00	1.00	6.5%
A1	20.00	21.00	1.00	6.5%
A0	20.00	21.00	1.00	6.5%

2. The first 6 kl of water be made available for free to all indigent households as well as the monthly sanitation charge as an indigent support package in line with Council policy;

3. All amendments to the tariff structure be effective from 01 July 2015 or the first billing cycle after the 01 July 2015;

4. The proposed budget be submitted to National Treasury, the Provincial Treasury and the provincial Department of Cooperative Governance and Traditional Affairs in the prescribed format as well be publicised for public comment.

Executive Summary

The draft budget is prepared and presented to Council in line with the MFMA requirements. The MFMA requires that the Mayor must table the draft budget 90days before the start of the financial year. After the draft budget has been tabled in Council, the Mayor must conduct a public participation process where by the public is afforded the opportunity to comment on the budget and make any recommendations to be considered during the budget process.

The draft budget as tabled, confirms the heavy dependence of Amajuba DM on grant funding to fund service delivery.

Budget Parameters

Headline Inflation Forecasts

Budget Parameters

Headline Inflation Forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2015/16 budgets and MTREF –

Headline inflation forecasts

Fiscal year	2014	2015	2016	2017	2018
Actual		**Estimate**		**Forecast**	
Real GDP growth	2.2	1.4	2.0	2.6	3.0
CPI Inflation	5.8	5.6	4.8	5.9	5.6

Source: MFMA Circular No.75

Budget Funding

While the proposed budget is balanced and funded in terms of funding sources, there is still however a deficit of about R22,4 million which is yet to be recovered. This deficit arose when conditional grants were utilised in contravention of the conditions of those grants. In other words, conditional grants are not cash-backed. This matter needs to be given serious consideration as we need to save in the region of R10 million to R15 million per annum in order to recover these grants within the MTREF period. This is not possible at the current expenditure levels and therefore has not been provided for in this proposed budget.

DESCRIPTION	Current Year		Medium Term Revenue and Expenditure Framework		
	Budget Year	Adjustment Budget	Budget Year +1	Budget Year +2	Budget Year +3
GOVERNMENT GRANTS & SUBSIDIES - ALLOCATIONS	**2014/15**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
National Grant Allocations[1]					
Municipal Infrastructure Grant	41,650,000	41,650,000	40,119,000	41,634,000	43,906,000
Municipal Systems Improvement Grant	934,000	934,000	940,000	960,000	1,033,000
.Financial Management Grant	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Equitable Share	55,797,000	55,797,000	60,132,000	62,919,000	65,813,000
RSC Levies Replacement	56,588,000	56,588,000	60,795,000	65,938,000	71,128,000
DWAF Water Operating Subsidy	-	-	3,000,000	-	-
.Water Services Operating Subsidy II(In Kind)	300,000	300,000	-	-	-
.Municipal Water Infrastructure Grant	12,040,000	12,040,000	19,825,000	15,133,000	15,965,000
Expanded Public Works Programme incentive Grant	1,276,000	1,276,000	1,252,000	-	-
.Rural Transport and Infrastructure	2,020,000	2,020,000	2,007,000	2,064,000	2,201,000
Regional Bulk Infrastructure Grant(In-Kind)		8,000,000	-		
.ACIP -Call Centre Grant		1,000,000			
Rural Households Infrastructure Grant				4,379,000	4,500,000
Sub Total - National Grant Allocations	**172,105,000**	**181,105,000**	**189,570,000**	**194,527,000**	**206,046,000**
Provincial Grant Allocations[2]					
.Development Planning Shared Services	1,000,000	1,000,000	250,000	400,000	-
'Small Town Rehabilitation Programme-PSC	5,000,000				
Corridor Development-PSC	5,000,000				
Sub Total - Provincial Grant Allocations	**11,000,000**	**1,000,000**	**250,000**	**400,000**	**-**
TOTAL GRANT ALLOCATIONS	**183,105,000**	**182,105,000**	**189,820,000**	**194,927,000**	**206,046,000**

Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality‟s 2015/2016 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality‟s budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality‟s commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF.

b. Capital expenditure is balanced by capital funding sources, of which:

- Transfers recognised is reflected on the Financial Performance Budget;
- Borrowing is incorporated in the net cash from financing on the Cash Flow Budget; and
- Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the net cash from investing on the Cash Flow Budget. The fact that the municipality‟s cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4. The Cash backing / surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.

DC25 Amajuba - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	17,424	14,892	18,451	18,451	18,451	26,411	27,864	29,340
Investment revenue	940	2,255	717	–	300	300	300	350	369	389
Transfers recognised - operational	125,750	177,361	172,390	127,902	115,819	115,819	115,819	128,624	133,781	141,675
Other own revenue	355	894	10,133	859	10,888	10,888	10,888	10,906	11,080	11,669
Total Revenue (excluding capital transfers and contributions)	127,045	180,509	200,664	143,653	145,459	145,459	145,459	166,291	173,094	183,073
Employee costs	36,403	40,802	68,994	70,950	66,333	66,333	66,333	81,242	85,710	90,253
Remuneration of councillors	4,223	4,220	4,205	5,395	5,395	5,395	5,395	5,708	6,022	6,342
Depreciation & asset impairment	5,381	5,162	27,598	5,162	5,455	5,455	5,455	2,685	2,839	2,993
Finance charges	–	–	966	1,500	500	500	500	3,686	3,908	3,967
Materials and bulk purchases	–	–	7,000	5,000	7,500	7,500	7,500	9,509	10,032	10,564
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	124,713	140,066	464,105	50,453	58,973	58,973	58,973	61,945	63,485	66,977
Total Expenditure	170,720	190,250	572,868	138,459	144,156	144,156	144,156	164,775	171,996	181,096
Surplus/(Deficit)	(43,675)	(9,741)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Transfers recognised - capital	–	8,315	6,525	54,904	73,256	73,256	73,256	61,798	61,146	64,371
Contributions recognised - capital & contributed a	49,513	(8,296)	(6,525)	(54,904)	(73,256)	(73,256)	(73,256)	(61,798)	(61,146)	(64,371)
Surplus/(Deficit) after capital transfers & contributions	5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Capital expenditure & funds sources										
Capital expenditure	49,513	8,315	7,626	56,404	73,633	73,633	73,633	70,515	61,176	64,391
Transfers recognised - capital	49,513	4,350	6,525	54,904	72,033	72,033	72,033	61,798	61,146	64,371
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	7,637	–	–
Internally generated funds	–	3,964	1,100	1,500	1,600	1,600	1,600	1,080	30	20
Total sources of capital funds	49,513	8,315	7,626	56,404	73,633	73,633	73,633	70,515	61,176	64,391
Financial position										
Total current assets	15,886	13,056	12,156	32,316	32,316	32,316	32,316	43,209	45,161	46,438
Total non current assets	837,953	764,756	319,703	153,570	150,641	150,641	150,641	373,416	376,109	377,860
Total current liabilities	70,973	89,033	65,580	38,229	38,229	38,229	38,229	33,925	33,976	34,028
Total non current liabilities	–	–	–	20	20	20	20	40	40	40
Community wealth/Equity	782,866	688,780	266,279	147,636	144,708	144,708	144,708	382,659	387,254	390,230
Cash flows										
Net cash from (used) operating	30,202	554	(41,820)	60,097	76,535	76,535	76,535	63,314	62,243	66,348
Net cash from (used) investing	(10,952)	(6,077)	(283,057)	(56,404)	(73,633)	(73,633)	(73,633)	(69,435)	(61,146)	(64,371)
Net cash from (used) financing	(17)	421	322,912	–	–	–	–	7,637	–	–
Cash/cash equivalents at the year end	7,584	2,482	330	6,176	5,384	5,384	5,384	1,847	2,944	4,921
Cash backing/surplus reconciliation										
Cash and investments available	7,584	2,294	330	10,000	10,000	10,000	10,000	13,000	13,500	14,000
Application of cash and investments	62,274	79,861	43,727	(4,316)	(4,544)	(4,544)	(4,544)	(16,229)	(17,624)	(18,375)
Balance - surplus (shortfall)	(54,690)	(77,566)	(43,396)	14,316	14,544	14,544	14,544	29,229	31,124	32,375
Asset management										
Asset register summary (WDV)	62,836	61,613	319,703	153,570	150,641	150,641	373,416	373,416	376,109	377,860
Depreciation & asset impairment	5,381	5,162	27,598	5,162	5,455	5,455	2,685	2,685	2,839	2,993
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	906	1,031	4,230	3,770	6,253	6,253	8,210	8,210	9,362	9,629
Free services										
Cost of Free Basic Services provided	1,558	1,200	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110
Revenue cost of free services provided	18,696	18,696	17,424	14,892	18,451	18,451	26,411	26,411	27,864	29,340
Households below minimum service level										
Water:	106	106	108	108	108	108	108	108	108	108
Sanitation/sewerage:	124	124	127	127	127	127	127	127	127	127
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Table 18 MBRR Table A2 – Budgeted Financial Performance (Revenue and expenditure by standard classification)

DC25 Amajuba - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		90,882	93,672	66,317	72,155	72,271	72,271	77,474	83,305	89,260
Executive and council		44,877	39,689	11,790	12,374	12,374	12,374	13,336	13,954	14,596
Budget and treasury office		45,869	52,407	54,103	59,034	59,342	59,342	63,605	68,788	74,072
Corporate services		135	1,577	424	747	555	555	534	563	593
Community and public safety		19	2,091	6,504	5,776	5,726	5,726	6,167	6,454	6,751
Community and social services		19	2,091	5,625	100	50	50	50	53	56
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	880	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	5,676	5,676	5,676	6,117	6,401	6,695
Economic and environmental services		36,144	74,925	62,552	11,000	1,000	1,000	2,257	2,464	2,201
Planning and development		43	1,516	–	11,000	1,000	1,000	250	400	–
Road transport		36,101	73,409	62,552	–	–	–	2,007	2,064	2,201
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		49,513	9,839	65,290	54,721	66,461	66,461	80,393	80,871	84,861
Electricity		–	–	–	–	–	–	–	–	–
Water		49,513	9,839	65,290	54,721	66,461	66,461	80,393	80,871	84,861
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	176,558	180,528	200,664	143,653	145,459	145,459	166,291	173,094	183,073
Expenditure - Standard										
Governance and administration		46,411	39,971	388,416	55,847	51,650	51,650	57,624	59,959	63,087
Executive and council		24,149	14,018	354,855	16,908	15,627	15,627	17,149	18,098	19,061
Budget and treasury office		9,781	9,854	12,131	13,108	13,562	13,562	14,669	15,428	16,182
Corporate services		12,480	16,099	21,430	25,830	22,462	22,462	25,807	26,433	27,844
Community and public safety		13,671	22,143	20,341	19,167	17,994	17,994	18,002	18,992	19,999
Community and social services		9,982	17,259	15,257	10,147	8,088	8,088	9,146	9,649	10,160
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		3,690	4,884	5,084	6,234	6,970	6,970	5,548	5,853	6,163
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	2,786	2,935	2,935	3,309	3,491	3,676
Economic and environmental services		61,124	101,424	88,357	35,357	21,691	21,691	31,337	32,817	34,584
Planning and development		11,790	23,102	18,671	27,638	15,029	15,029	19,936	20,843	21,948
Road transport		49,334	78,322	69,686	7,720	6,662	6,662	11,401	11,974	12,637
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		49,513	26,712	75,754	28,088	52,822	52,822	57,812	60,228	63,425
Electricity		–	–	–	–	–	–	–	–	–
Water		49,513	26,712	75,754	28,088	52,822	52,822	57,812	60,228	63,425
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	170,720	190,250	572,868	138,459	144,156	144,156	164,775	171,996	181,096
Surplus/(Deficit) for the year		5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,516	1,097	1,977

Explanatory notes to MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile „whole of government‟ reports.

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 19 MBRR Table A3 – Budgeted Financial Performance
(Revenue and expenditure by municipal vote)

DC25 Amajuba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - COUNCIL SUPPORT AND EXECUTIVE COM		44,873	39,689	11,790	12,374	12,374	12,374	13,336	13,954	14,596
Vote 2 - DIRECTORATE :MUNICIPAL MANAGER		4	–	–	–	–	–	–	–	–
Vote 3 - DIRECTORATE:BUDGET AND TREASURY		45,869	52,407	54,103	59,034	59,342	59,342	63,605	68,788	74,072
Vote 4 - DIRECTORATE:CORPORATE SERVICES		135	1,577	424	747	555	555	534	563	593
Vote 5 - DIRECTORATE:COMMUNITY SERVICES		19	2,091	5,625	100	50	50	50	53	56
Vote 6 - DIRECTORATE:COMMUNITY SERVICES		–	–	–	5,676	5,676	5,676	6,117	6,401	6,695
Vote 7 - DIRECTORATE:COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–
Vote 8 - DIRECTORATE:COMMUNITY SERVICES		–	–	880	–	–	–	–	–	–
Vote 9 - DIRECTORATE:ECONOMIC DEVELOPMENT		43	1,516	–	11,000	1,000	1,000	250	400	–
Vote 10 - DIRECTORATE:ENGINEERING SERVICES		36,101	73,409	62,552	–	–	–	2,007	2,064	2,201
Vote 11 - DIRECTORATE:ENGINEERING SERVICES		49,513	9,839	65,290	54,721	66,461	66,461	80,393	80,871	84,861
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	176,558	180,528	200,664	143,653	145,459	145,459	166,291	173,094	183,073
Expenditure by Vote *to be appropriated*	1									
Vote 1 - COUNCIL SUPPORT AND EXECUTIVE COM		15,063	6,378	343,434	5,835	5,780	5,780	6,143	6,487	6,835
Vote 2 - DIRECTORATE :MUNICIPAL MANAGER		9,087	7,639	11,420	11,073	9,846	9,846	11,005	11,610	12,226
Vote 3 - DIRECTORATE:BUDGET AND TREASURY		9,781	9,854	12,131	13,108	13,562	13,562	14,669	15,428	16,182
Vote 4 - DIRECTORATE:CORPORATE SERVICES		12,480	16,099	21,430	25,830	22,462	22,462	25,807	26,433	27,844
Vote 5 - DIRECTORATE:COMMUNITY SERVICES		9,021	16,489	14,733	9,468	7,444	7,444	8,486	8,952	9,427
Vote 6 - DIRECTORATE:COMMUNITY SERVICES		–	–	–	2,786	2,935	2,935	3,309	3,491	3,676
Vote 7 - DIRECTORATE:COMMUNITY SERVICES		961	770	524	679	644	644	660	696	733
Vote 8 - DIRECTORATE:COMMUNITY SERVICES		3,690	4,884	5,084	6,234	6,970	6,970	5,548	5,853	6,163
Vote 9 - DIRECTORATE:ECONOMIC DEVELOPMENT		11,790	23,102	18,671	27,638	15,029	15,029	19,936	20,843	21,948
Vote 10 - DIRECTORATE:ENGINEERING SERVICES		49,334	78,322	69,686	7,720	6,662	6,662	11,401	11,974	12,637
Vote 11 - DIRECTORATE:ENGINEERING SERVICES		49,513	26,712	75,754	28,088	52,822	52,822	57,812	60,228	63,425
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	170,720	190,250	572,868	138,459	144,156	144,156	164,775	171,996	181,096
Surplus/(Deficit) for the year	2	5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,516	1,097	1,977

Explanatory notes to MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

DC25 Amajuba - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	15,004	12,373	14,801	14,801	14,801	21,869	23,072	24,294
Service charges - sanitation revenue	2	–	–	2,420	2,520	3,651	3,651	3,651	4,542	4,792	5,046
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - other											
Rental of facilities and equipment			265	288	285	285	285	285	314	331	348
Interest earned - external investments		940	2,255	717	–	300	300	300	350	369	389
Interest earned - outstanding debtors				2,622	–	1,569	1,569	1,569	1,210	1,277	1,344
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		125,750	177,361	172,390	127,902	115,819	115,819	115,819	128,624	133,781	141,675
Other revenue	2	355	628	7,222	574	9,034	9,034	9,034	9,383	9,473	9,976
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		127,045	180,509	200,664	143,653	145,459	145,459	145,459	166,291	173,094	183,073
Expenditure By Type											
Employee related costs	2	36,403	40,802	68,994	70,950	66,333	66,333	66,333	81,242	85,710	90,253
Remuneration of councillors		4,223	4,220	4,205	5,395	5,395	5,395	5,395	5,708	6,022	6,342
Debt impairment	3			7,366	1,800	1,500	1,500	1,500	1,800	1,800	2,500
Depreciation & asset impairment	2	5,381	5,162	27,598	5,162	5,455	5,455	5,455	2,685	2,839	2,993
Finance charges				966	1,500	500	500	500	3,686	3,908	3,967
Bulk purchases	2	–	–	7,000	5,000	7,500	7,500	7,500	9,509	10,032	10,564
Other materials	8										
Contracted services		–	11,110	11,610	10,001	20,401	20,401	20,401	12,750	11,539	11,938
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	124,713	128,956	108,591	38,652	37,072	37,072	37,072	47,395	50,146	52,539
Loss on disposal of PPE				336,538							
Total Expenditure		170,720	190,250	572,868	138,459	144,156	144,156	144,156	164,775	171,996	181,096
Surplus/(Deficit)		(43,675)	(9,741)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Transfers recognised - capital			8,315	6,525	54,904	73,256	73,256	73,256	61,798	61,146	64,371
Contributions recognised - capital	6	–	3,964	1,100	1,500	1,600	1,600	1,600	8,717	30	20
Contributed assets		49,513	(12,260)	(7,626)	(56,404)	(74,856)	(74,856)	(74,856)	(70,515)	(61,176)	(64,391)
Surplus/(Deficit) after capital transfers & contributions		5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Taxation											
Surplus/(Deficit) after taxation		5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977

Explanatory notes to Table A4 – Budgeted Financial Performance (revenue and expenditure)

- The total revenue budget including operating and capital transfers amount to R236 806 454 million for 2015/16, R234 269 903 million for 2016/17 and R247 463 944 million for 2017/18. The total revenue budget has increased by R11 000 million from the 2013/14 Approved budget and increased by R16 491 860 million from the 2014/15 Adjustment budget.

- Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing

- Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

- Off-setting depreciation, due to the implementation of the GRAP Accounting Standards on the municipality‟s assets that has to be recorded directly into the Statement of Financial Performance instead of the Statement of Changes in Net Assets is skewing the picture with regard to depreciation and finance charges

Explanatory notes to Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 below is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments

- Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years

- The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2015/2016, capital transfers totals R 61,179 million and increases to R 64,379 million by 2017/2018. Borrowing has been provided at R 7.637 million over the MTREF with internally generated funding totaling R 1.080 million,. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

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Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote Multi-year expenditure *to be appropriated*	2										
Vote 3 - DIRECTORATE:BUDGET AND TREASURY		–	–	–	–	8	8	8	50	30	20
Vote 4 - DIRECTORATE:CORPORATE SERVICES		–	–	–	–	12	12	12	8,487	–	–
Vote 8 - DIRECTORATE:COMMUNITY SERVICES		–	–	–	1,500	1,500	1,500	1,500	–	–	–
Vote 9 - DIRECTORATE:ECONOMIC DEVELOPMENT AND PLANNING		–	–	–	–	50	50	50	180	–	–
Vote 10 - DIRECTORATE:ENGINEERING SERVICES		–	–	–	–	30	30	30	–	–	–
Vote 11 - DIRECTORATE:ENGINEERING SERVICES		49,513	8,315	7,626	54,904	72,033	72,033	72,033	61,798	61,146	64,371
Capital multi-year expenditure sub-total	7	49,513	8,315	7,626	56,404	73,633	73,633	73,633	70,515	61,176	64,391
Total Capital Expenditure - Vote		49,513	8,315	7,626	56,404	73,633	73,633	73,633	70,515	61,176	64,391
Capital Expenditure - Standard											
Governance and administration		–	–	–	–	20	20	20	8,537	30	20
Executive and council											
Budget and treasury office					–	8	8	8	50	30	20
Corporate services					–	12	12	12	8,487	–	–
Community and public safety		–	–	–	1,500	–	–	–	–	–	–
Public safety					1,500	–	–	–	–	–	–
Economic and environmental services		–	–	–	–	80	80	80	180	–	–
Planning and development					–	50	50	50	180	–	–
Road transport						30	30	30			
Environmental protection											
Trading services		49,513	8,315	7,626	54,904	72,033	72,033	72,033	61,798	61,146	64,371
Electricity											
Water		49,513	8,315	7,626	54,904	72,033	72,033	72,033	61,798	61,146	64,371
Other						1,500	1,500	1,500	–	–	–
Total Capital Expenditure - Standard	3	49,513	8,315	7,626	56,404	73,633	73,633	73,633	70,515	61,176	64,391
Funded by:											
National Government		49,513	1,782	6,525	54,904	72,033	72,033	72,033	61,798	61,146	64,371
Provincial Government			2,569								
Transfers recognised - capital	4	49,513	4,350	6,525	54,904	72,033	72,033	72,033	61,798	61,146	64,371
Borrowing	6								7,637		
Internally generated funds			3,964	1,100	1,500	1,600	1,600	1,600	1,080	30	20
Total Capital Funding	7	49,513	8,315	7,626	56,404	73,633	73,633	73,633	70,515	61,176	64,391

MBRR Table A6 – Budgeted Financial Position

DC25 Amajuba - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		739		199	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Call investment deposits	1	6,845	2,663	132	5,000	5,000	5,000	5,000	8,000	8,500	9,000
Consumer debtors	1	–	64	6,228	18,316	18,316	18,316	18,316	24,611	26,064	26,840
Other debtors		8,302	10,329	5,598	4,000	4,000	4,000	4,000	5,598	5,598	5,598
Current portion of long-term receivables											
Inventory	2										
Total current assets		15,886	13,056	12,156	32,316	32,316	32,316	32,316	43,209	45,161	46,438
Non current assets											
Long-term receivables											
Investments											
Investment property				569	569	569	569	569			
Investment in Associate		775,117	703,143								
Property, plant and equipment	3	62,836	59,494	315,994	149,860	149,860	149,860	149,860	370,275	372,968	374,720
Agricultural											
Biological											
Intangible			2,119	3,140	3,140	212	212	212	3,140	3,140	3,140
Other non-current assets											
Total non current assets		837,953	764,756	319,703	153,570	150,641	150,641	150,641	373,416	376,109	377,860
TOTAL ASSETS		853,839	777,812	331,859	185,886	182,958	182,958	182,958	416,624	421,270	424,298
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	368	–	–						
Borrowing	4	–	–	9,687	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Consumer deposits											
Trade and other payables	4	69,361	87,162	49,013	18,000	18,000	18,000	18,000	13,000	13,000	13,000
Provisions		1,612	1,503	6,880	229	229	229	229	925	976	1,028
Total current liabilities		70,973	89,033	65,580	38,229	38,229	38,229	38,229	33,925	33,976	34,028
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		–	–	–	20	20	20	20	40	40	40
Total non current liabilities		–	–	–	20	20	20	20	40	40	40
TOTAL LIABILITIES		70,973	89,033	65,580	38,250	38,250	38,250	38,250	33,965	34,016	34,068
NET ASSETS	5	782,866	688,780	266,279	147,636	144,708	144,708	144,708	382,659	387,254	390,230
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		782,866	688,780	266,279	147,636	144,708	144,708	144,708	382,659	387,254	390,230
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	782,866	688,780	266,279	147,636	144,708	144,708	144,708	382,659	387,254	390,230

Explanatory notes to Table A6 – Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors, management and other users of budget documentation of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page XX) providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the Statement of Financial Position.

Table A7 – Budgeted Cash Flow Statement

DC25 Amajuba - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges									–	–	–
Service charges		303	628	12,319	15,751	29,640	29,640	29,640	26,411	27,864	29,340
Other revenue									9,696	9,804	10,325
Government - operating	1	88,571	185,775	159,797	127,902	115,819	115,819	115,819	128,624	133,781	141,675
Government - capital	1	37,179	–		54,904	73,633	73,633	73,633	61,798	61,146	64,371
Interest		992	2,255	717	–				1,560	1,646	1,733
Dividends									–	–	–
Payments											
Suppliers and employees		(96,843)	(188,104)	(213,686)	(138,459)	(142,056)	(142,056)	(142,056)	(161,089)	(168,089)	(177,129)
Finance charges				(966)		(500)	(500)	(500)	(3,686)	(3,908)	(3,967)
Transfers and Grants	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		30,202	554	(41,820)	60,097	76,535	76,535	76,535	63,314	62,243	66,348
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			448						1,080	30	20
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables		(8,192)							–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(2,760)	(6,525)	(283,057)	(56,404)	(73,633)	(73,633)	(73,633)	(70,515)	(61,176)	(64,391)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10,952)	(6,077)	(283,057)	(56,404)	(73,633)	(73,633)	(73,633)	(69,435)	(61,146)	(64,371)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			421						–	–	–
Borrowing long term/refinancing				313,225					7,637	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(17)		9,687					–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(17)	421	322,912	–	–	–	–	7,637	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		19,232	(5,102)	(1,965)	3,694	2,902	2,902	2,902	1,516	1,097	1,977
Cash/cash equivalents at the year begin:	2	(11,649)	7,584	2,294	2,482	2,482	2,482	2,482	330	1,847	2,944
Cash/cash equivalents at the year end:	2	7,584	2,482	330	6,176	5,384	5,384	5,384	1,847	2,944	4,921

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

3. It can be seen that the cash levels of the municipality fell significantly over the 2011/2012 to 2013/2014 period owing directly to a net decrease / increase in cash for the 2012/2013 and 2013/2014 financial years .

4. The 2015/2016 MTREF provide for a net increase in cash of R 1.5 million for the 2015/2016 financial year resulting in an overall projected positive cash position of R 1.8 million at year end.

5. As part of the 2014/2015 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations, rationalisation of spending priorities and implementation of a turnaround strategy.

6. In addition the municipality should undertook an extensive debt collection drive resulting in cash receipts on arrear debtors.

7. The 2015/2016 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

8. Cash and cash equivalents totals project R 1.8 million as at the end of the 2015/2016 financial year and escalate to a projected R 4.9 million by 2017/2018.

MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

DC25 Amajuba - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	7,584	2,482	330	6,176	5,384	5,384	5,384	1,847	2,944	4,921
Other current investments > 90 days		(0)	(188)	0	3,824	4,616	4,616	4,616	11,153	10,556	9,079
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		7,584	2,294	330	10,000	10,000	10,000	10,000	13,000	13,500	14,000
Application of cash and investments											
Unspent conditional transfers		–	–	22,618	10,000	10,000	10,000	10,000	5,000	5,000	5,000
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	62,274	79,861	21,109	(14,316)	(14,544)	(14,544)	(14,544)	(21,229)	(22,624)	(23,375)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		62,274	79,861	43,727	(4,316)	(4,544)	(4,544)	(4,544)	(16,229)	(17,624)	(18,375)
Surplus(shortfall)		(54,690)	(77,566)	(43,396)	14,316	14,544	14,544	14,544	29,229	31,124	32,375

References

1. Must reconcile with Budgeted Cash Flows

2. For example: VAT, taxation

3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)

4. For example: sinking fund requirements for borrowing

5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements										
Debtors	7,087	7,301	5,286	22,316	22,544	22,544	22,544	29,229	30,624	31,375
Creditors due	69,361	87,162	26,395	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total	(62,274)	(79,861)	(21,109)	14,316	14,544	14,544	14,544	21,229	22,624	23,375
Debtors collection assumptions										
Balance outstanding - debtors	8,302	10,394	11,826	22,316	22,316	22,316	22,316	30,209	31,661	32,438
Estimate of debtors collection rate	85.4%	70.2%	44.7%	100.0%	101.0%	101.0%	101.0%	96.8%	96.7%	96.7%

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation
1. The cash backed reserves / accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality‟s budget must be "funded".

4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

5. From the table it can be seen that for the period 2011/2012 to 2013/2014 the cash deficit of R54.7 million deteriorated to a further cash deficit of R 77.0 million The main reason for these "unfunded" projections were a lack of cash due to government not honouring their service charges, outstanding debt, moratorium on handover of consumer debtors, unspent grants not being cash backed for previous financial years, the roll-over of capital projects that is ongoing for more than a year.

6.For the MTREF 2015/2016 to 2017/2018 the Municipality is striving to maintain a positive cashflow and funded budget.

7. As part of the budgeting and planning guidelines that informed the compilation of the 2015/2016 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	**49,513**	**8,315**	**7,626**	**56,404**	**73,633**	**73,633**	**70,515**	**61,176**	**64,391**
Infrastructure - Water		49,513	8,315	7,626	20,179	38,395	38,395	36,825	35,133	38,965
Infrastructure - Sanitation		–	–	–	32,704	17,954	17,954	13,721	7,998	8,916
Infrastructure - Other		–	–	–	2,020	2,020	2,020	1,252	4,379	4,500
Infrastructure		*49,513*	*8,315*	*7,626*	*54,904*	*58,369*	*58,369*	*51,798*	*47,510*	*52,381*
Community		–	–	–	–	13,664	13,664	10,000	13,636	11,990
Other assets	6	–	–	–	1,500	1,600	1,600	8,717	30	20
Infrastructure - Water		49,513	8,315	7,626	20,179	38,395	38,395	36,825	35,133	38,965
Infrastructure - Sanitation		–	–	–	32,704	17,954	17,954	13,721	7,998	8,916
Infrastructure - Other		–	–	–	2,020	2,020	2,020	1,252	4,379	4,500
Infrastructure		*49,513*	*8,315*	*7,626*	*54,904*	*58,369*	*58,369*	*51,798*	*47,510*	*52,381*
Community		–	–	–	–	13,664	13,664	10,000	13,636	11,990
Other assets		–	–	–	1,500	1,600	1,600	8,717	30	20
TOTAL CAPITAL EXPENDITURE - Asset class	2	**49,513**	**8,315**	**7,626**	**56,404**	**73,633**	**73,633**	**70,515**	**61,176**	**64,391**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Water				279,690	279,690	214,644	214,644	70,515	61,176	64,391
Infrastructure - Sanitation						42,667	42,667			
Infrastructure - Other		–	–	–	(166,134)	(165,564)	(165,564)	299,760	311,792	310,329
Infrastructure		–	–	*279,690*	*113,556*	*91,747*	*91,747*	*370,275*	*372,968*	*374,720*
Community						1,192	1,192			
Investment properties		–	–	569	569	569	569	–	–	–
Other assets		62,836	59,494	36,304	36,304	56,921	56,921			
Intangibles		–	2,119	3,140	3,140	212	212	3,140	3,140	3,140
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**62,836**	**61,613**	**319,703**	**153,570**	**150,641**	**150,641**	**373,416**	**376,109**	**377,860**
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		5,381	5,162	27,598	5,162	5,455	5,455	2,685	2,839	2,993
Repairs and Maintenance by Asset Class	3	906	1,031	4,230	3,770	6,253	6,253	8,210	9,362	9,629
Other assets	6, 7	906	1,031	4,230	3,770	6,253	6,253	8,210	9,362	9,629
TOTAL EXPENDITURE OTHER ITEMS		**6,287**	**6,192**	**31,828**	**8,932**	**11,708**	**11,708**	**10,895**	**12,201**	**12,622**
Renewal of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE		*1.4%*	*1.7%*	*1.3%*	*2.5%*	*4.2%*	*4.2%*	*2.2%*	*2.5%*	*2.6%*
Renewal and R&M as a % of PPE		*1.0%*	*2.0%*	*1.0%*	*2.0%*	*4.0%*	*4.0%*	*2.0%*	*2.0%*	*3.0%*

2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality cannot meet these recommendations due to a lack of financial resources and the implementation GRAP 17

3. Depreciation and asset impairment costs (off-setting depreciation included) due to the implementation of the GRAP Accounting Standards on the carrying values of componentised assets makes it virtually unaffordable to maintain the municipality‟s assets at depreciated replacement cost.

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

2. The municipality continues to make good progress with the eradication of backlogs:

a. The minimum level of water services is available to all households – formal as well as informal areas

b. Sanitation services backlogs steadily increases for the 2016/l. These numbers will only reduce when the municipality receives funds from the housing programme for basic service infrastructure. Provincial government is slow in approving funds through the housing programme to build houses with toilets and sewerage networks.

3. The changes in the Indigent Subsidy Policy will result in less households to be registered as indigent in 2015/2016 and therefore result in less households entitled to receive Free Basic Services

DC25 Amajuba - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		4,543	4,543	5,274	5,274	5,274	5,274	5,274	5,274	5,274
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2	19,471	19,471	21,577	21,577	21,577	21,577	21,577	21,577	21,577
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		24,014	24,014	26,851	26,851	26,851	26,851	26,851	26,851	26,851
Using public tap (< min.service level)	3	96,966	96,966	99,915	99,915	99,915	99,915	99,915	99,915	99,915
Other water supply (< min.service level)	4	1,948	1,948	2,697	2,697	2,697	2,697	2,697	2,697	2,697
No water supply		6,880	6,880	5,394	5,394	5,394	5,394	5,394	5,394	5,394
Below Minimum Service Level sub-total		105,794	105,794	108,006	108,006	108,006	108,006	108,006	108,006	108,006
Total number of households	5	129,808	129,808	134,857	134,857	134,857	134,857	134,857	134,857	134,857
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		1,947	1,947	2,697	2,697	2,697	2,697	2,697	2,697	2,697
Flush toilet (with septic tank)		778	778	934	934	934	934	934	934	934
Chemical toilet										
Pit toilet (ventilated)		3,245	3,245	4,045	4,045	4,045	4,045	4,045	4,045	4,045
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		5,970	5,970	7,676	7,676	7,676	7,676	7,676	7,676	7,676
Bucket toilet		101,771	101,771	107,000	107,000	107,000	107,000	107,000	107,000	107,000
Other toilet provisions (< min.service level)		22,067	22,067	20,228	20,228	20,228	20,228	20,228	20,228	20,228
No toilet provisions										
Below Minimum Service Level sub-total		123,838	123,838	127,228	127,228	127,228	127,228	127,228	127,228	127,228
Total number of households	5	129,808	129,808	134,904	134,904	134,904	134,904	134,904	134,904	134,904
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week										
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		129,808	129,808	129,808	134,904	134,904	134,904	134,904	134,904	134,904
Sanitation (free minimum level service)		129,808	129,808	129,808	134,904	134,904	134,904	134,904	134,904	134,904
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		779	600	555	555	555	555	555	555	555
Sanitation (free sanitation service)		779	600	555	555	555	555	555	555	555
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social packag		1,558	1,200	1,110	1,110	1,110	1,110	1,110	1,110	1,110
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water		9,348	9,348	15,004	12,373	14,801	14,801	21,869	23,072	24,294
Sanitation		9,348	9,348	2,420	2,520	3,651	3,651	4,542	4,792	5,046
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of free services provided (total social package)		18,696	18,696	17,424	14,892	18,451	18,451	26,411	27,864	29,340

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the municipality‟s IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality‟s revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

With the compilation of the 2015/2016 MTREF, each department / function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/2015 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
			Mayor and Council / Entity Board	**Administration - Municipality and Entity**	**Budget Review Activities**
JULY	▪ Finalisation of IDP Review document and submission to the COGTA for approval by the MEC. ▪ IDP Review Process Plan Drafted.	▪ Adoption of the PMS ▪ Implementation of approved SDBIP for current financial year ▪ Final assessment of	▪ Mayor begins planning for next three-year budget in accordance with co-	▪ Accounting officers and senior officials of municipality and entities begin planning	▪ Approve and announce new budget schedule and set up committees

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
		previous financial year SDBIP ▪ Signing of new performance contracts for Section 57 Managers and submission to EXCO (Section 69 of the MFMA and Section 57 of the MSA).	ordination role of budget process **MFMA s 53** ▪ Planning includes review of the previous years budget process and completion of the Budget Evaluation Checklist	for next three-year budget **MFMA s 68, 77** ▪ Accounting officers and senior officials of municipality and entities review options and contracts for service delivery **MSA s 76-81**	and forums. ▪ Consultation on performance and changing needs.
AUGUST	▪ IDP Review Process Plan tabled at EXCO and Council for approval. ▪ **IDP preparation process initiated.** ▪ Review of comments received on the previous financial year IDP Review document. ▪ Self-assessment to identify gaps in the IDP process. ▪ Integration of information from adopted Sector Plans into the IDP Review document. ▪ Initiation of new sector plans into the IDP. ▪ Review and updating of the IDP Vision, Mission and Objectives. ▪ Updating and review of the strategic elements of the IDP in light of the new focus of Council. ▪ Compilation of the SDF ▪ Collection of the SDF data from sector plans and population data	▪ Final S57 Managers' Performance Assessments ▪ Quarterly Audit Committee meeting (for the last quarter of 05/06) MFMA Sect 166 & MPPR Reg. 14(3)(a)	▪ Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. **MFMA s 21,22, 23; MSA s 34, Ch 4 as amended** ▪ Mayor establishes committees and consultation forums for the budget process	▪ Accounting Officer to submit AFS to Auditor-General [Due by 31 August, **MFMA Sec 126(1)(a)**]	▪ Consultation on performance and changing needs. ▪ Review performance and financial position. ▪ Review external mechanisms. ▪ Start Planning for next three years.
SEPT	▪ Integration of information from adopted Sector Plans into the IDP Review document. ▪ Review of Spatial Development Framework. ▪ Updating and review of the strategic elements of the IDP in light of the new focus of Council. ▪ Collection of the SDF data from sector plans and population	▪ Auditor General audit of performance measures	▪ Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national	▪ Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year	▪ Update policies, priorities and objectives. ▪ Determine revenue projections and policies.

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	data		government sector and strategic plans	after taking into account strategic objectives ▪ Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)	
OCTOBER	▪ Integration of information from adopted Sector Plans into the IDP Review document. ▪ Review of Spatial Development Framework. ▪ Updating and review of the strategic elements of the IDP in light of the new focus of Council.	▪ Appointment of Internal Auditors (MFMA Sect 55(2)) ▪ Appointment of the Audit Committee (MPPR Reg. 14) ▪ Sect 57 Managers' quarterly assessments (for first quarter) ▪ Assessment of the SDBIP (for first quarter) ▪ First draft annual report to Auditor General	▪	▪ Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials **MFMA s 35, 36, 42; MTBPS**	▪ Determine revenue projections and policies. ▪ Engagement with sector departments, share and evaluate plans, national policies, MTBPS. ▪ Draft initial allocations to functions. ▪ Draft initial changes to IDP.
NOVEMBER	▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Identification of priority IDP projects. ▪ Project alignment between the DM and LM's. ▪ Municipal alignment sessions under auspices of COGTA	▪ Quarterly Audit Committee meeting (for the first quarter) MFMA Sect 166 & MPPR Reg. 14(3)(a)	▪	▪ Accounting officer reviews and drafts initial changes to IDP **MSA s 34** ▪ Auditor-General to return audit report [Due by 30 November, **MFMA 126(4)**]	▪ Draft initial changes to IDP. ▪ Consolidation of budgets and plans. ▪ Executive determines strategic choices for next three years.
DECEMBER	▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Project alignment between the DM and LM's. ▪ Identification of priority IDP projects. ▪ Development of Spatial strategies and mapping.	▪ Compile annual report (MFMA Sect 121) ▪ Quarterly Audit Committee (MFMA Sect 166 & MPPR Reg. 14(3)(a)	▪ Council finalises tariff (rates and service charges) policies for next financial year **MSA s 74, 75**	▪ Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous years performance	▪ Executive determines strategic choices for next three years. ▪ Finalise tariff policies.

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
				as per audited financial statements	
JANUARY	▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Identification of priority IDP projects. ▪ Development of Spatial strategies and mapping.	▪ Mayor tables annual report (MFMA Sect 127(2) ▪ Mid-year Sect 57 Managers' performance assessments ▪ Mid-year assessment of the SDBIP MPPR Reg. 14	▪ Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year **MFMA s 87(1)**	▪ Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) **MFMA s 36**	▪ Prepare detailed budgets and plans for the next three years.
FEBRUARY	▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Identification of priority IDP projects. ▪ Alignment of the draft budget and capital investment framework with the SDF	▪ Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a)	▪ Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity **MFMA s 87(2)**	▪ Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report ▪ Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year **MFMA s 37(2)**	▪ Prepare detailed budgets and plans for the next three years. ▪ Executive adopts budget and plans and changes to IDP.
MARCH	▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Initiate preparation of Capital Investment Plan. ▪ Initiate preparation of	▪ Council to consider and adopt an oversight report [Due by 31 March **MFMA Sec 129(1)**] ▪ Submit annual	▪ Entity board of directors considers recommendations of parent municipality and submit revised budget	▪ Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites	▪ Mayor tables budget, resolutions, plans and changes to IDP at least 90 days before the

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
	Financial Plan. ▪ Conclusion of Sector Plans initiated for the previous financial year and integration into the IDP Review report. ▪ Finalisation of the SDF ▪ Submissions of Draft 2014/15 Reviewed IDPs to COGTA	to AG, Provincial & DTLGA (MFMA Sect 127) ▪ Set performance objectives for revenue for each budget vote (MFMA Sect 17)	by 22nd of month **MFMA s 87(2)** ▪ Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year **MFMA s 16, 22, 23, 87; MSA s 34**	local community comment and submits to NT, PT and others as prescribed **MFMA s 22 & 37; MSA Ch 4 as amended** ▪ Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March **MFMA s 42**	start of the financial year.
APRIL	▪ Incorporation of DORA information into the IDP document. ▪ Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets. ▪ Identify departmental allocations from Municipality's Own Funds. ▪ Workshops with Portfolio Councillors to identify projects to which Own Funds will be allocated to. ▪ Preparation of Capital Investment Plan. ▪ Preparation of Financial Plan. ▪ Conclusion of Sector Plans initiated for the previous financial year and integration into the IDP Review report. ▪ Convening of decentralised IDP Assessment Forums	▪ Refinement of Municipal Strategies, Objectives, KPA's, KPI's and targets and inclusion into IDP Review report. ▪ Submit Annual Report to Provincial Legislature/MEC Local Government [Due mid-April **MFMA Sec 132(2)**] ▪ S57 Managers' Quarterly Performance Assessments ▪ Publicise Annual Report [Due mid- April **MFMA Sec 129(3)**] ▪ Quarterly Annual Report [Due mid-April **MFMA Sec 129(3)**] ▪ Budget for expenses of audit committee	▪ Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc ▪ **MFMA s 21**	▪ Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year	▪ Consultation with National and Provincial Treasuries and finalise sector plans, water and sanitation, electricity, etc. ▪ Public hearings on the Budget, Council Debate on Budget and Plans.
MAY	▪ Public participation process launched through series of public hearings on the IDP and Budget. ▪ Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets. ▪ IDP Assessment feedback	▪ Annual review of organisational KPIs (MPPR Reg. 11) ▪ Review annual organisational performance targets (MPPR Reg. 11)	▪ Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities.	▪ Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account	▪ Public hearings on the Budget, Council Debate on Budget and Plans. ▪ Council adopts budget, resolutions, capital implementation plans, objectives

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
			Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year. **MFMA s 23, 24; MSA Ch 4 as amended** ▪ Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality **MFMA s 87**	consultative processes and any other new information of a material nature	and changes in IDP.
JUNE	▪ IDP RF meeting to consider the amendments to the IDP. ▪ EXCO recommends adoption of the IDP to Council. ▪ Council workshop on the IDP. ▪ Adoption of the IDP by Council.	▪ Community input into organisation KPIs and targets ▪ Quarterly Audit Committee meeting MFMA Sect 166 & MPPR Reg. 14(3)(a)	▪ Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year **MFMA s 16, 24, 26, 53** ▪ Mayor must approve SDBIP within 28 days after approval	▪ Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. **MFMA s 69; MSA s 57** ▪ Accounting officers of municipality and entities publishes adopted budget and plans **MFMA s 75, 87**	▪ Publish budget and plans. ▪ Finalise performance contracts and delegation.

MONTH	ACTIVITIES				
	IDP	PMS	BUDGET		
			of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. ▪ **MFMA s 53; MSA s 38-45, 57(2)** ▪ Council must finalise a system of delegations. ▪ **MFMA s 59, 79, 82; MSA s 59-65**		

2.1.3 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2015/2016 MTREF; extensive financial modelling were undertaken to ensure affordable tariffs and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/2016 MTREF:

- Municipality‟s growth;
- Policy priorities and strategic objectives;
- Asset maintenance;
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns);
- Performance trends;
- The approved 2014/2015 adjustments budget and performance against the SDBIP;

• Cash Flow Management Strategy;

• Debtor payment levels;

• Loan and investment possibilities;

• The need for tariff increases versus the ability of the community to pay for services; and

• Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury‟s MFMA Circulars 70 - 75 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2015/2016 MTREF to be tabled before Council on 31 March 2014; and, for community consultation was published on the municipality‟s website and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects be addressed, and where relevant be considered as part of the finalisation of the 2015/2016 MTREF

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.
Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery

The 2015/2016 MTREF has therefore been directly informed by the IDP revision process and tables SA4 – SA6 provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

DC25 Amajuba - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Infrastructure Development and Service Delivery	To ensure provision of basic community infrastructure and services as per acceptable norms and standards	KPA4		176,558	180,528	145,440	54,721	52,822	52,822	69,212	72,202	76,062
Local Economic Development (LED)	To facilitate, encourage and support the development of an enabling environment for LED and job creation	KPA3				18,671	11,000	11,000	11,000	19,936	20,843	21,948
Municipal Transformation and Organisational Development	To achieve sound governance, management, administration and equity within Amajuba district in line with organised local government guidelines	KPA2				24,422	18,898	18,898	18,898	25,807	26,433	27,844
Municipal Financial Viability and Management	To achieve effective financial management	KPA5				12,131	59,034	62,738	62,738	37,022	38,514	41,318
Intergovernmental Relations,Good Governance and Public Administration	To ensure sustainable governance practice within the municipality	KPA1								11,005	11,610	12,226
Spatial Planning and Enviromental Management	To facilitate, encourage and support the development of an enabling environment for LED and job creation.	KPA6								3,309	3,491	3,676
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	176,558	180,528	200,664	143,653	145,459	145,459	166,291	173,094	183,073

DC25 Amajuba - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Infrastructure Development and Service Delivery	To ensure provision of basic community infrastructure and services as per acceptable	KPA4		170,720	190,250	419,188	28,088	52,822	52,822	69,212	72,202	76,062
Local Economic Development (LED)	To facilitate, encourage and support the development of an enabling environment for LED	KPA3				18,671	27,638	11,000	11,000	19,936	20,843	21,948
Municipal Transformation and Organisational Development	To achieve sound governance, management, administration and equity	KPA2				122,878	13,108	17,595	17,595	24,290	25,336	25,866
Municipal Financial Viability and Management	To achieve effective financial management	KPA5				12,131	69,624	62,738	62,738	37,022	38,514	41,318
Intergovernmental Relations,Good Governance and Public Administration	To ensure sustainable governance practice within the municipality	KPA1								11,005	11,610	12,226
Spatial Planning and Enviromental Management	To facilitate, encourage and support the development of an enabling environment for LED creation.	KPA6								3,309	3,491	3,676
Allocations to other priorities												
Total Expenditure			1	170,720	190,250	572,868	138,459	144,156	144,156	164,775	171,996	181,096

DC25 Amajuba - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Infrastructure Development and Service Delivery	EMADLANGENI SANITATION-MIG;	A		49,513	8,315	7,626	54,904	72,033	72,033	5,824	7,998	8,916
	DISASTER MANAGEMENT - MIG FUNDING	B					1,500	1,600	1,600	10,000	13,636	11,990
	BUFFALO FLATS WATER - PHASE 3	C								15,000	20,000	23,000
	BUFFALO FLATS SANITATION;TRA	D								7,897		
	ADM WSDP	E								2,000		
	MWIG - Emadlangeni Rural Water Supply Phase 1	F								3,000	–	
	MWIG - Emadlangeni Rural Water Supply Phase 2	G								7,000	9,150	10,100
	Bufallo Flats Water Supply Scheme Phase 4	H								2,000		
	WCWDM Master Plan	I								7,825	5,983	5,865
	PUBLIC WORKS	J								1,252	–	–
	RURAL Households Sanitation(DOHS)	K								–	4,379	4,500
Fleet Management	To Maintain Fleet Management	L								7,637		
To provide physical infrastructure	To avail and maintain municipal buildings, plant and equipments and municipal	M								1,080	30	20
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	49,513	8,315	7,626	56,404	73,633	73,633	70,515	61,176	64,391

2.3 Measurable performance objectives and indicators

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

The following table sets out the municipalities main performance objectives and benchmarks for the

DC25 Amajuba - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	-1.5%	1.1%	0.3%	0.3%	0.3%	2.2%	2.3%	2.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.3%	0.0%	-30.8%	9.5%	1.7%	1.7%	1.7%	9.8%	9.9%	9.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	10.6%	28462.7%	0.0%	0.0%	0.0%	0.0%	87.6%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.2	0.1	0.2	0.8	0.8	0.8	0.8	1.3	1.3	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.2	0.1	0.2	0.8	0.8	0.8	0.8	1.3	1.3	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	0.0	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		-2222.3%	70.2%	44.7%	100.0%	101.0%	101.0%	101.0%	96.8%	96.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		85.4%	70.2%	44.7%	100.0%	101.0%	101.0%	101.0%	96.8%	96.7%	96.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.5%	5.8%	5.9%	15.5%	15.3%	15.3%	15.3%	18.2%	18.3%	17.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		914.6%	3511.8%	8003.3%	129.5%	148.6%	148.6%	148.6%	433.2%	271.7%	162.6%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.7%	22.6%	34.4%	49.4%	45.6%	45.6%	45.6%	48.9%	49.5%	49.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.0%	24.9%	36.8%	58.7%	49.3%	49.3%		52.3%	53.0%	52.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.7%	0.6%	2.1%	2.6%	4.3%	4.3%		4.9%	5.4%	5.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.2%	2.9%	14.2%	4.6%	4.1%	4.1%	4.1%	3.8%	3.9%	3.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.6	(0.4)	–	–	–	–	19.0	22.9	22.7	23.9
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	3920.3%	66.8%	147.0%	119.1%	119.1%	119.1%	113.0%	112.3%	109.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.0	0.3	0.0	0.7	0.6	0.6	0.6	0.2	0.3	0.4

2015/2016 MTREF

2.4 Overview of budget related-policies

The municipality‟s budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies

2.4.1 Review of credit control and debt collection procedures/policies

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

2.4.3 Budget Adjustment Policy

2.4.4 Supply Chain Management Policy

2.4.5 Budget and Virement Policy

2.4.6 Cash Management and Investment Policy

2.4.7 Tariff Policies

All the above policies are available on the municipality‟s website

2.5 Overview of budget assumptions

The 2015 Budget Review notes that the global economic outlook has weakened and the pattern of slow growth is likely to persist, with consequences for all developing economies. South Africa's gross domestic product (GDP) forecast for 2015 has also been revised down. The National Treasury projects GDP growth of 2 per cent in 2015, rising to 3 per cent by 2017. Average growth over the forecast period is 0.4 percentage points lower than at the time of the 2014 *Medium Term Budget Policy Statement.* Inadequate electricity supply, however, will impose a serious constraint on output and exports over the short term.

The slowdown in economic growth since 2012 has highlighted structural constraints in the domestic economy. Achieving faster sustainable growth and large-scale job creation will require structural shifts in the economy, stronger supply-side value chains, higher exports, moderation in wage increases and, crucially, growing private-sector investment based on confidence in the long-term business environment.

The 2015 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Spending plans give effect to the priorities of the NDP and the MTSF. Initiatives under way include: large public-sector infrastructure investments in electricity and transport; expanded partnerships to encourage private investment; better cooperation between government, the private sector, trade unions and civil society; incentives to attract new entrants in the economy; special economic zones to boost exports; programmes to reshape the urban spatial landscape; and programmes to improve the quality of education and skills development.

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore they must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure. Furthermore municipalities should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost.

Headline inflation forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2015/16 budgets and MTREF.

Fiscal year	2014	2015	2016	2017	2018
Actual		Estimate		Forecast	
Real GDP growth	2.2	1.4	2.0	2.6	3.0
CPI Inflation	5.8	5.6	4.8	5.9	5.6

2.6 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2012 to 30 June 2015 has come to an end. The South African Local Government Association issued a press release on 03 March 2015 indicating that it tabled the following offer for salaries and wages increase:

- *2015/16 Financial Year – 4.4 per cent (inflation linked)*
- *2016/17 and 2017/18 Financial Years – inflation related increase plus additional 0.25 per cent*

As the negotiations are still underway, municipalities are advised to use the above proposed guidelines in preparing their 2015/16 budgets.

2.7 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in line with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published by the Department of Cooperative Governance and Traditional Affairs. The gazette for 2015 will be released in due course. Municipalities are advised to refer to the circular issued on 23 January 2015 by the Department of Cooperative Governance and Traditional Affairs.

2.6 OTHER SUPPORTING SCHEDULES

OTHER SUPPORTING TABLES

DC25 Amajuba - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
REVENUE ITEMS:											
Service charges - water revenue	6										
Total Service charges - water revenue				15,004	12,373	14,801	14,801	14,801	21,869	23,072	24,294
less Revenue Foregone											
Net Service charges - water revenue		–	–	15,004	12,373	14,801	14,801	14,801	21,869	23,072	24,294
Service charges - sanitation revenue											
Total Service charges - sanitation revenue				2,420	2,520	3,651	3,651	3,651	4,542	4,792	5,046
less Revenue Foregone											
Net Service charges - sanitation revenue		–	–	2,420	2,520	3,651	3,651	3,651	4,542	4,792	5,046
Service charges - refuse revenue	6										
Total refuse removal revenue											
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		–	–	–	–	–	–	–	–	–	–
Other Revenue by source											
Interest Outstanding Debtors				–							
Tele/Cellphone Cost Recovered			128	52	62	20	20	20	20	21	22
Tender Deposits				7	12	20	20	20	20	21	22
Facilities -Rental			11	61	100	50	50	50	50	53	56
Skills Development Grant ;			88	33	400	250	250	250	200	211	222
Contribution - Accumulated Surplus		355	401	–							
Vat Reclaimed -Conditional Grants				7,069	–	8,694	8,694	8,694	7,762	7,763	8,176
Admin Recovery-MIG Grant									972	1,025	1,080
Connection Fee					–	–	–	–	359	379	399
Total 'Other' Revenue	1	355	628	7,222	574	9,034	9,034	9,034	9,383	9,473	9,976
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	25,476	27,708	44,146	50,793	47,469	47,469	47,469	56,280	59,375	62,522
Pension and UIF Contributions		2,524	2,810	4,911	5,751	5,381	5,381	5,381	6,455	6,810	7,171
Medical Aid Contributions		1,160	1,324	2,255	2,292	2,154	2,154	2,154	3,080	3,249	3,422
Overtime		292	811	3,673	1,090	998	998	998	3,664	3,866	4,071
Performance Bonus		2,777	2,392	3,893	4,594	4,317	4,317	4,317	4,107	4,333	4,562
Motor Vehicle Allowance		3,801	4,562	4,890	4,153	3,876	3,876	3,876	5,270	5,560	5,855
Cellphone Allowance		–		–	685	639	639	639	758	800	842
Housing Allowances		219	154	190	404	357	357	357	354	374	393
Other benefits and allowances		155		527	1,189	1,143	1,143	1,143	1,273	1,343	1,414
Payments in lieu of leave			1,042	4,510							
Long service awards											
Post-retirement benefit obligations	4										
sub-total	5	36,403	40,802	68,994	70,950	66,333	66,333	66,333	81,242	85,710	90,253
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	36,403	40,802	68,994	70,950	66,333	66,333	66,333	81,242	85,710	90,253

<u>Contributions recognised - capital</u>											
Dept of Public Works											
Other Infrastructure		–	3,964	1,100	1,500	1,600	1,600	1,600	8,717	30	20
Total Contributions recognised - capital		–	3,964	1,100	1,500	1,600	1,600	1,600	8,717	30	20
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment		5,381	5,162	27,598	5,162	5,455	5,455	5,455	2,685	2,839	2,993
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	5,381	5,162	27,598	5,162	5,455	5,455	5,455	2,685	2,839	2,993
<u>Bulk purchases</u>											
Electricity Bulk Purchases											
Water Bulk Purchases		–	–	7,000	5,000	7,500	7,500	7,500	9,509	10,032	10,564
Total bulk purchases	1	–	–	7,000	5,000	7,500	7,500	7,500	9,509	10,032	10,564
<u>Transfers and grants</u>											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	–	–	–	–	–	–	–	–	–	–
<u>Contracted services</u>											
Rental Office Equipment;					366						
Cleaning Services;					250						
Gardening Services					350						
Security;			1,510	3,323	4,500	3,800	3,800	3,800	3,000	3,165	3,333
Call Centre Management					1,000				1,600	1,688	1,777
Proffesional & Legal Costs;					500				600	633	667
Disciplinary Hearing Costs					100				50	53	56
Electricity;					2,500						
Municipal Serv -Rates & Taxe					185						
Pest Control & Hygiene Services					250						
Sanitation & Water;		–	9,194	7,865		13,001	13,001	13,001	5,000	4,000	4,000
Informational Technology Services			386	422							
Hygeine Services			19								
VIP Desludging Costs						3,600	3,600	3,600	2,500	2,000	2,106
sub-total	1	–	11,110	11,610	10,001	20,401	20,401	20,401	12,750	11,539	11,938
Allocations to organs of state:											
Total contracted services		–	11,110	11,610	10,001	20,401	20,401	20,401	12,750	11,539	11,938
<u>Other Expenditure By Type</u>	-										
Collection costs		813	1,734	40	925	30	30	30	–	–	–
Contributions to 'other' provisions		122,942	122,942	105,138					2,005	1,006	1,048
Consultant fees		958	906		2,450						
Audit fees			3,375	3,413		2,500	2,500	2,500	1,450	1,530	1,611
General expenses	3	–	–								
Consultant fees					500						
Chemicals;					450						
General Cost-Programmes					22,808	34,542	34,542	34,542	43,940	47,611	49,881
General Cost-Programmes					1,000						
Sport Development Programmes					1,010						
Subsistence and Travelling					925						
Telephone and Communications											
Shared Services					1,500						
Finance Management Programmes					934						
MSIG Expenditure											
Road Asset Management					800						
Environment Management					200						
LED Strategy Implementation Support;					350						
GIS Management;					500						

LED Manufacturing Strategic					500						
LED Agricultural Strategic S					1,000						
IDP Public Participation;					1,500						
PROJECT INITIATION FUND;					250						
SPATIAL PLANNING SUPPORT;					200						
DIMS IMPLEMENTATION AND MANAGEMENT;					50						
ADM Tourism Signs Maintanance					800						
Total 'Other' Expenditure	1	124,713	128,956	108,591	38,652	37,072	37,072	37,072	47,395	50,146	52,539

Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		906	1,031	4,230	3,770	6,253	6,253	6,253	8,210	9,362	9,629
Total Repairs and Maintenance Expenditure	9	906	1,031	4,230	3,770	6,253	6,253	6,253	8,210	9,362	9,629

DC25 Amajuba - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description R thousand	Ref 1	Vote 1 - COUNCIL SUPPORT AND EXECUTIVE COMMITTEE	Vote 2 - DIRECTORATE :MUNICIPAL MANAGER	Vote 3 - DIRECTORATE:BUDGET AND TREASURY	Vote 4 - DIRECTORATE:CORPORATE SERVICES	Vote 5 - DIRECTORATE:COMMUNITY SERVICES	Vote 6 - DIRECTORATE:COMMUNITY SERVICES	Vote 7 - DIRECTORATE:COMMUNITY SERVICES	Vote 8 - DIRECTORATE:COMMUNITY SERVICES	Vote 9 - DIRECTORATE:ECONOMIC DEVELOPMENT AND PLANNING	Vote 10 - DIRECTORATE: ENGINEERING SERVICES	Vote 11 - DIRECTORATE: ENGINEERING SERVICES	Total
Revenue By Source													
Service charges - water revenue												21,869	21,869
Service charges - sanitation revenue												4,542	4,542
Rental of facilities and equipment					314								314
Interest earned - external investments				350									350
Interest earned - outstanding debtors												1,210	1,210
Other revenue				20	220	50						9,093	9,383
Transfers recognised - operational		13,336		63,235			6,117			250	2,007	43,679	128,624
Gains on disposal of PPE													–
Total Revenue (excluding capital transfers and contributions)		13,336	–	63,605	534	50	6,117	–	–	250	2,007	80,393	166,291
Expenditure By Type	-												
Employee related costs			9,680	8,517	8,900	5,436	2,739	660	4,202	11,671	7,594	21,843	81,242
Remuneration of councillors		5,708											5,708
Debt impairment												1,800	1,800
Depreciation & asset impairment		85	250	250		350				250	–	1,500	2,685
Finance charges					2,876							810	3,686
Bulk purchases												9,509	9,509
Contracted services					3,650						1,600	7,500	12,750
Other expenditure		350	1,075	5,901	10,381	2,700	570		1,346	8,015	2,207	14,850	47,395
Total Expenditure		6,143	11,005	14,669	25,807	8,486	3,309	660	5,548	19,936	11,401	57,812	164,775
Surplus/(Deficit)		7,192	(11,005)	48,936	(25,273)	(8,436)	2,808	(660)	(5,548)	(19,686)	(9,394)	22,581	1,516
Transfers recognised - capital												61,798	61,798
Contributions recognised - capital				50	8,487					180			8,717
Contributed assets				(50)	(8,487)					(180)		(61,798)	(70,515)
Surplus/(Deficit) after capital transfers & contributions		7,192	(11,005)	48,936	(25,273)	(8,436)	2,808	(660)	(5,548)	(19,686)	(9,394)	22,581	1,516

DC25 Amajuba - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Call investment deposits											
Call deposits < 90 days		6,845	2,663	132	5,000	5,000	5,000	5,000	8,000	8,500	9,000
Other current investments > 90 days											
Total Call investment deposits	2	6,845	2,663	132	5,000	5,000	5,000	5,000	8,000	8,500	9,000
Consumer debtors											
Consumer debtors			64	13,594	20,116	20,116	20,116	20,116	26,411	27,864	29,340
Less: Provision for debt impairment				(7,366)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(2,500)
Total Consumer debtors	2	–	64	6,228	18,316	18,316	18,316	18,316	24,611	26,064	26,840
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		62,836	59,494	368,799	179,860	179,860	179,860	179,860	425,299	426,065	425,529
Leases recognised as PPE	3										
Less: Accumulated depreciation				52,805	30,000	30,000	30,000	30,000	55,024	53,097	50,809
Total Property, plant and equipment (PPE)	2	62,836	59,494	315,994	149,860	149,860	149,860	149,860	370,275	372,968	374,720
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than		–		9,687	20,000	20,000	20,000	20,000	20,000	20,000	20,000

bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		–	–	9,687	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Trade and other payables											
Trade and other creditors		69,361	87,162	26,395	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Unspent conditional transfers				22,618	10,000	10,000	10,000	10,000	5,000	5,000	5,000
VAT											
Total Trade and other payables	2	69,361	87,162	49,013	18,000	18,000	18,000	18,000	13,000	13,000	13,000
Non current liabilities - Borrowing											
Borrowing	4										
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions - non-current											
Retirement benefits					20	20	20	20	40	40	40
List other major provision items											
Total Provisions - non-current		–	–	–	20	20	20	20	40	40	40
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		(5,838)	688,780	689,422	144,139	144,139	144,139	144,139	266,279	269,659	272,723
GRAP adjustments		782,866							114,864	116,498	115,530
Restated balance		777,028	688,780	689,422	144,139	144,139	144,139	144,139	381,143	386,157	388,253
Surplus/(Deficit)		5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Appropriations to Reserves		0	9,722								
Transfers from Reserves											
Other adjustments		(0)		(50,939)	(1,696)	(733)	(733)	(733)			
Accumulated Surplus/(Deficit)	1	782,866	688,780	266,279	147,636	144,708	144,708	144,708	382,659	387,254	390,230
Reserves	-										
Capital replacement											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	782,866	688,780	266,279	147,636	144,708	144,708	144,708	382,659	387,254	390,230

DC25 Amajuba - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Statistics SA (Census figures)	431	468	442	502	507	513	518	523	529	529
Females aged 5 - 14		Statistics SA (Census figures)	54	57	54	54	53	53	53	52	52	52
Males aged 5 - 14		Statistics SA (Census figures)	56	57	53	57	57	57	56	56	56	56
Females aged 15 - 34		Statistics SA (Census figures)	76	83	81	87	88	89	90	91	91	91
Males aged 15 - 34		Statistics SA (Census figures)	73	78	78	97	98	100	101	102	104	104
Unemployment		Statistics SA (Census figures)	31	56	60	56	49	44	42	38	35	35
Monthly household income (no. of households)	1, 12	- -										
No income		Global Insight	1,973	3,447	1,840	1,114	739	338	154	102	76	76
R1 - R1 600		Global Insight	5,090	12,608	7,595	3,696	1,982	72	3	1	1	1
R1 601 - R3 200		Global Insight	17,045	20,518	23,402	17,765	16,535	15,134	13,852	12,893	11,100	11,100
R3 201 - R6 400		Global Insight	12,600	14,198	20,226	18,530	18,007	17,479	16,967	16,488	15,461	15,461
R6 401 - R12 800		Global Insight	12,998	16,117	19,220	20,865	21,124	21,156	21,168	21,451	22,176	22,176
R12 801 - R25 600		Global Insight	6,609	8,931	13,291	15,957	17,368	18,665	20,059	21,831	23,869	23,869
R25 601 - R51 200		Global Insight	4,369	4,864	8,138	10,481	11,156	11,828	12,541	13,349	14,910	14,910
R52 201 - R102 400		Global Insight	4,524	5,018	6,856	8,721	9,220	9,733	10,273	10,862	12,185	12,185
R102 401 - R204 800		Global Insight	3,842	3,773	5,555	7,043	7,520	7,992	8,494	9,069	10,165	10,165
R204 801 - R409 600		Global Insight	3,274	3,587	4,742	5,871	6,151	6,481	6,828	7,153	7,930	7,930
R409 601 - R819 200		Global Insight	2,528	3,586	4,843	5,718	6,016	6,265	6,524	6,864	7,398	7,398
> R819 200		Global Insight	2,171	5,516	10,210	13,295	13,989	14,795	15,665	16,507	18,989	18,989
Household/demographics (000)												
Number of people in municipal area		Statistics SA (Census figures)	431,341	468,040	442,264	502	507	513	518	523	529	529
Number of poor people in municipal area		Statistics SA (Census figures)	222,265	299,555	301,056	295	303	295	295	298	305	305
Number of households in municipal area		Statistics SA (Census figures)	77,023	102,161	125,920	128	129	130	130	132	135	135
Number of poor households in municipal area												

Definition of poor household (R per month)												
-												
Housing statistics	3											
Formal		Statistics SA (Census figures)	56,321	78,868	102,764	105,317	108,028	109,603	110,993	112,136	114,628	114,628
Informal		Statistics SA (Census figures)	20,702	23,293	23,156	23,099	21,031	20,205	18,944	19,789	20,229	20,229
Total number of households			77,023	102,161	125,920	128,416	129,059	129,808	129,937	131,925	134,857	134,857
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						3.3%	5.0%	5.4%	5.5%	4.4%	5.9%	5.5%
Interest rate - borrowing												
Interest rate - investment										6.0%	6.0%	6.0%
Remuneration increases										4.4%	5.9%	5.5%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges										75.0%	80.0%	95.0%
Rental of facilities & equipment										95.0%	95.0%	95.0%
Interest - external investments										6.0%	6.0%	6.0%
Interest - debtors										0.0%	0.0%	0.0%
Revenue from agency services												

DC25 Amajuba Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	7,584	2,482	330	6,176	5,384	5,384	5,384	1,847	2,944	4,921
Cash + investments at the yr end less applications - R'000	18(1)b	2	(54,690)	(77,566)	(43,396)	14,316	14,544	14,544	14,544	29,229	31,124	32,375
Cash year end/monthly employee/supplier payments	18(1)b	3	1.0	0.3	0.0	0.7	0.6	0.6	0.6	0.2	0.3	0.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	5,838	(9,722)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(20.5%)	17.9%	(6.0%)	(6.0%)	37.1%	(0.5%)	(0.7%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	85.4%	70.2%	44.7%	100.0%	101.0%	101.0%	101.0%	96.8%	96.7%	96.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	42.3%	12.1%	8.1%	8.1%	8.1%	6.8%	6.5%	8.5%
Capital payments % of capital expenditure	18(1)c;19	8	5.6%	78.5%	3711.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	28462.7%	0.0%	0.0%	0.0%	0.0%	87.6%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	25.2%	13.8%	88.7%	0.0%	0.0%	0.0%	35.4%	4.8%	2.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.4%	1.7%	1.3%	2.5%	4.2%	4.2%	5.5%	2.2%	2.5%	2.6%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Total Operating Revenue			127,045	180,509	200,664	143,653	145,459	145,459	145,459	166,291	173,094	183,073
Total Operating Expenditure			170,720	190,250	572,868	138,459	144,156	144,156	144,156	164,775	171,996	181,096
Operating Performance Surplus/(Deficit)			(43,675)	(9,741)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Cash and Cash Equivalents (30 June 2012)										1,847		
Revenue												
% Increase in Total Operating Revenue				42.1%	11.2%	(28.4%)	1.3%	0.0%	0.0%	14.3%	4.1%	5.8%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				0.0%	0.0%	(14.5%)	23.9%	0.0%	0.0%	43.1%	5.5%	5.3%
Expenditure												
% Increase in Total Operating Expenditure				11.4%	201.1%	(75.8%)	4.1%	0.0%	0.0%	14.3%	4.4%	5.3%
% Increase in Employee Costs				12.1%	69.1%	2.8%	(6.5%)	0.0%	0.0%	22.5%	5.5%	5.3%
% Increase in Electricity Bulk Purchases				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)					383300.2811	334667.4565				364312.2834		
Average Cost Per Councillor (Remuneration)					168181.1764	215819.92				228337.4754		
R&M % of PPE			1.4%	1.7%	1.3%	2.5%	4.2%	4.2%		2.2%	2.5%	2.6%
Asset Renewal and R&M as a % of PPE			1.0%	2.0%	1.0%	2.0%	4.0%	4.0%		2.0%	2.0%	3.0%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	42.3%	12.1%	8.1%	8.1%	8.1%	6.8%	6.5%	8.5%
Capital Revenue												
Internally Funded & Other (R'000)			–	3,964	1,100	1,500	1,600	1,600	1,600	1,080	30	20
Borrowing (R'000)			–	–	–	–	–	–	–	7,637	–	–
Grant Funding and Other (R'000)			49,513	4,350	6,525	54,904	72,033	72,033	72,033	61,798	61,146	64,371
Internally Generated funds % of Non Grant Funding			0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	12.4%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	87.6%	0.0%	0.0%
Grant Funding % of Total Funding			100.0%	52.3%	85.6%	97.3%	97.8%	97.8%	97.8%	87.6%	100.0%	100.0%
Capital Expenditure												
Total Capital Programme (R'000)			49,513	8,315	7,626	56,404	73,633	73,633	73,633	70,515	61,176	64,391
Asset Renewal			–	–	–	–	–	–	–	–	–	–
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			85.4%	70.2%	44.7%	100.0%	101.0%	101.0%	101.0%	96.8%	96.7%	96.7%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0

Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.0%	0.0%	(1.5%)	1.1%	0.3%	0.3%	0.3%	2.2%	2.3%	2.2%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	28462.7%	0.0%	0.0%	0.0%	0.0%	87.6%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			(54,690)	(77,566)	(43,396)	14,316	14,544	14,544	14,544	29,229	31,124	32,375
Free Services												
Free Basic Services as a % of Equitable Share			3.8%	2.7%	2.1%	2.0%	2.0%	2.0%		1.8%	1.8%	1.7%
Free Services as a % of Operating Revenue (excl operational transfers)			1443.6%	593.9%	61.6%	94.5%	62.3%	62.3%		70.1%	70.9%	70.9%
High Level Outcome of Funding Compliance												
Total Operating Revenue			127,045	180,509	200,664	143,653	145,459	145,459	145,459	166,291	173,094	183,073
Total Operating Expenditure			170,720	190,250	572,868	138,459	144,156	144,156	144,156	164,775	171,996	181,096
Surplus/(Deficit) Budgeted Operating Statement			(43,675)	(9,741)	(372,205)	5,194	1,302	1,302	1,302	1,516	1,097	1,977
Surplus/(Deficit) Considering Reserves and Cash Backing			(54,690)	(77,566)	(43,396)	14,316	14,544	14,544	14,544	29,229	31,124	32,375
MTREF Funded (1) / Unfunded (0)		15	0	0	0	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		15	✗	✗	✗	✓	✓	✓	✓	✓	✓	✓

DC25 Amajuba - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*						100	110	117	124
Service point - vacant land *(Rands/month)*		Residential				100	110	117	124
Water usage - flat rate tariff *(c/kl)*		0 - 6 kl	FREE	FREE	FREE	FREE	873	925	981
Water usage - life line tariff		7 - 20 kl	526	526	526	673	961	1,019	1,080
Water usage - Block 1 (c/kl)		21 - 40 kl	536	536	536	767	1,057	1,120	1,188
Water usage - Block 2 (c/kl)		41 - 60 kl	547	547	547	793	1,215	1,288	1,365
Water usage - Block 3 (c/kl)		Above 61 kl	550	550	550	819	1,398	1,482	1,571
Water usage - Block 4 (c/kl)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			214	475	544	475	546	579	614

DC25 Amajuba - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Water tariffs									
0 - 6 kl		0 - 6 kl	FREE	FREE	FREE	FREE	873	925	981
7 - 20 kl		7 - 20 kl	526	526	526	673	961	1,019	1,080
21 - 40 kl		21 - 40 kl	536	536	536	767	1,057	1,120	1,188
41 - 60 kl		41 - 60 kl	547	547	547	793	1,215	1,288	1,365
Above 61 kl		Above 61 kl	550	550	550	819	1,398	1,482	1,571

DC25 Amajuba - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Water: Consumption		100.44	161.78	170.92	170.92	170.92	0.06	18,117.5%	192.05	203.57	203.57
Sanitation		64.20	97.20	102.60	102.60	102.60	0.06	10,875.6%	115.28	122.20	122.20
sub-total		164.64	258.98	273.52	273.52	273.52	0.12	12.4%	307.33	325.77	325.77
VAT on Services											
Total large household bill:		164.64	258.98	273.52	273.52	273.52	0.12	12.4%	307.33	325.77	325.77
% increase/-decrease			57.3%	5.6%	–	–	(100.0%)		256,005.9%	6.0%	–
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Water: Consumption		85.69	125.48	132.57	132.57	132.57	0.06	14,052.4%	148.96	157.89	157.89
Sanitation		54.26	81.00	85.50	85.50	85.50	0.06	9,063.0%	96.07	101.83	101.83
sub-total		139.95	206.48	218.07	218.07	218.07	0.12	12.4%	245.02	259.72	259.72
Total small household bill:		139.95	206.48	218.07	218.07	218.07	0.12	12.4%	245.02	259.72	259.72
% increase/-decrease			47.5%	5.6%	–	–	(99.9%)		204,086.2%	6.0%	–
				-0.88	-1.00	-	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Water: Consumption		73.54	89.18	94.22	94.22	94.22	0.06	9,987.3%	105.87	112.22	112.22
Sanitation			45.36	47.88	47.88	47.88	0.06	5,075.3%	53.80	57.03	57.03
sub-total		73.54	134.54	142.10	142.10	142.10	0.12	12.4%	159.66	169.24	169.24
Total small household bill:		73.54	134.54	142.10	142.10	142.10	0.12	12.4%	159.66	169.24	169.24
% increase/-decrease			82.9%	5.6%	–	–	(99.9%)		132,953.0%	6.0%	–

DC25 Amajuba - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		6,845	2,663	132	5,000	5,000	5,000	8,000	8,500	9,000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	6,845	2,663	132	5,000	5,000	5,000	8,000	8,500	9,000
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		6,845	2,663	132	5,000	5,000	5,000	8,000	8,500	9,000

DC25 Amajuba - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality							
ABSA - 32 Days Notice		32 Day Notice					–
Absa		Daily Call					–
Standard		32 Day Notice	132			7,868	8,000
First National Bank		3 Month Notice					–
							–
							–
							–
Municipality sub-total			132		–	7,868	8,000
Entities							
							–
							–
							–
							–
							–
							–
							–
Entities sub-total			–		–	–	–
TOTAL INVESTMENTS AND INTEREST	1		132		–	7,868	8,000

DC25 Amajuba - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)			9,687	9,687	9,687	9,687	9,687	9,687	9,687	9,687
Local registered stock										
Instalment Credit										
Financial Leases								10,313	10,313	10,313
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	–	9,687	9,687	9,687	9,687	9,687	20,000	20,000	20,000
Entities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Borrowing	1	–	9,687	9,687	9,687	9,687	9,687	20,000	20,000	20,000

DC25 Amajuba - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		88,599	98,319	110,431	116,095	114,819	114,819	129,626	133,381	141,675
Local Government Equitable Share		40,477	44,413	52,618	55,797	55,797	55,797	60,132	62,919	65,813
RSC Levy Replacement		43,698	47,630	51,917	56,588	56,588	56,588	60,795	65,938	71,128
Finance Management		1,250	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Municipal Systems Improvement		790	1,000	890	934	934	934	940	960	1,033
Water Services Operating Subsidy		1,585	1,000	1,800	–	–	–	3,000		
EPWP Incentive		799	1,000		1,276			1,252	–	–
Rural Transport Grant			1,776	1,706	–			2,007	2,064	2,201
Provincial Government:		3,940	2,524	–	11,000	1,000	1,000	250	400	–
Sport and Recreation		2,310	1,050							
Health subsidy		1,630								
LED and Planning Grants -COGTA			1,474		11,000	1,000	1,000	250	400	–
Total Operating Transfers and Grants	5	92,539	100,843	110,431	127,095	115,819	115,819	129,876	133,781	141,675
Capital Transfers and Grants										
National Government:		50,444	63,420	4,000	55,710	69,757	69,757	59,944	61,146	64,371
Municipal Infrastructure Grant (MIG)		41,211	49,992		41,650	41,650	41,650	40,119	41,634	43,906
Rural Transport Services and Infrastructure		1,687			2,020	2,020	2,020			
Regional Bulk Infrastructure		7,546	–			8,000	8,000			
Rural Households Infrastructure				4,000		1,465	1,465		4,379	4,500
Municipal Water Infrastructure Grant			13,428		12,040	16,622	16,622	19,825	15,133	15,965
Provincial Government:		–	15,926	–	–	–	–	–	–	–
Disaster Management Grant and COGTA			15,926							
Other grant providers:		–	–	–	–	1,000	–	–	–	–
ACIP Grant						1,000				
Total Capital Transfers and Grants	5	50,444	79,346	4,000	55,710	70,757	69,757	59,944	61,146	64,371
TOTAL RECEIPTS OF TRANSFERS & GRANTS		142,983	180,189	114,431	182,805	186,576	185,576	189,820	194,927	206,046

DC25 Amajuba - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating expenditure of Transfers and Grants										
National Government:		88,599	98,319	110,431	116,095	114,819	114,819	129,626	133,381	141,675
Local Government Equitable Share		40,477	44,413	52,618	55,797	55,797	55,797	60,132	62,919	65,813
RSC Levy Replacement		43,698	47,630	51,917	56,588	56,588	56,588	60,795	65,938	71,128
Finance Management		1,250	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Municipal Systems Improvement		790	1,000	890	934	934	934	940	960	1,033
Water Services Operating Subsidy		1,585	1,000	1,800	–	–	–	3,000		
EPWP Incentive		799	1,000		1,276			1,252	–	–
Rural Transport Grant			1,776	1,706	–			2,007	2,064	2,201
Provincial Government:		3,940	2,524	–	125,819	1,000	1,000	250	400	–
Sport and Recreation		2,310	1,050		114,819					
Health subsidy		1,630								
LED and Planning Grants -COGTA			1,474		11,000	1,000	1,000	250	400	–
Total operating expenditure of Transfers and Grants:		92,539	100,843	110,431	241,914	115,819	115,819	129,876	133,781	141,675
Capital expenditure of Transfers and Grants										
National Government:		50,444	63,420	4,000	55,710	69,757	69,757	59,944	61,146	64,371
Municipal Infrastructure Grant (MIG)		41,211	49,992		41,650	41,650	41,650	40,119	41,634	43,906
Rural Transport Services and Infrastructure		1,687			2,020	2,020	2,020			
Regional Bulk Infrastructure		7,546	–			8,000	8,000			
Rural Households Infrastructure				4,000		1,465	1,465		4,379	4,500
Municipal Water Infrastructure Grant			13,428		12,040	16,622	16,622	19,825	15,133	15,965
Provincial Government:		–	15,926	–	–	–	–	–	–	–
Disaster Management Grant and COGTA			15,926							
Other grant providers:		–	–	–	–	1,000	1,000	–	–	–
ACIP Grant						1,000	1,000			
Total capital expenditure of Transfers and Grants		50,444	79,346	4,000	55,710	70,757	70,757	59,944	61,146	64,371
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		142,983	180,189	114,431	297,624	186,576	186,576	189,820	194,927	206,046

DC25 Amajuba - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		125,750	177,361	173,231	114,819	114,819	114,819	128,374	133,381	141,675
Conditions met - transferred to revenue		125,750	177,361	172,390	114,819	114,819	114,819	128,374	133,381	141,675
Conditions still to be met - transferred to liabilities				841						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts					11,000	1,000	1,000	250	400	–
Conditions met - transferred to revenue		–	–	–	11,000	1,000	1,000	250	400	–
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts					2,083					
Conditions met - transferred to revenue		–	–	–	2,083	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		125,750	177,361	172,390	127,902	115,819	115,819	128,624	133,781	141,675
Total operating transfers and grants - CTBM	2	–	–	841	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				15,397						
Current year receipts		49,513	4,350	5,917	54,904	71,033	71,033	61,798	61,146	64,371
Conditions met - transferred to revenue		49,513	4,350	5,156	54,904	71,033	71,033	61,798	61,146	64,371
Conditions still to be met - transferred to liabilities				16,158						
Provincial Government:										
Balance unspent at beginning of the year				7,108						
Current year receipts				1,500						
Conditions met - transferred to revenue		–	–	1,369	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities				7,238						
Other grant providers:										
Balance unspent at beginning of the year					–	1,000	1,000			

Conditions met - transferred to revenue		–	–	–	–	1,000	1,000	–	–	–
Total capital transfers and grants revenue		49,513	4,350	6,525	54,904	72,033	72,033	61,798	61,146	64,371
Total capital transfers and grants - CTBM	2	–	–	23,397	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		175,263	181,711	178,915	182,805	187,852	187,852	190,422	194,927	206,046
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	24,238	–	–	–	–	–	–

DC25 Amajuba - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
-	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4,223	4,220	4,205	5,395	5,395	5,395	5,708	6,022	6,342
Sub Total - Councillors		4,223	4,220	4,205	5,395	5,395	5,395	5,708	6,022	6,342
% increase	4		(0.1%)	(0.4%)	28.3%	–	–	5.8%	5.5%	5.3%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4,609	2,756	6,129	6,861	6,861	6,861	6,401	6,754	7,111
Performance Bonus					961	961	961	896	945	996
Cellphone Allowance	3			108	108	108	108	108	108	108
Sub Total - Senior Managers of Municipality		4,609	2,756	6,237	7,929	7,929	7,929	7,406	7,807	8,215
% increase	4		(40.2%)	126.3%	27.1%	–	–	(6.6%)	5.4%	5.2%
Other Municipal Staff										
Basic Salaries and Wages		20,867	24,952	37,909	50,793	39,539	39,539	49,878	52,622	55,411
Pension and UIF Contributions		2,524	2,810	4,911	5,751	5,381	5,381	6,455	6,810	7,171
Medical Aid Contributions		1,160	1,324	2,255	2,292	2,154	2,154	3,080	3,249	3,422
Overtime		292	811	3,673	1,090	998	998	3,664	3,866	4,071
Performance Bonus		2,777	2,392	3,893	4,594	4,317	4,317	3,211	3,387	3,567
Motor Vehicle Allowance	3	3,801	4,562	4,890	4,153	3,876	3,876	5,270	5,560	5,855
Cellphone Allowance	3	–		–	685	639	639	650	692	734
Housing Allowances	3	219	154	190	404	357	357	354	374	393
Other benefits and allowances	3	155		5,671	1,189	1,143	1,143	1,273	1,343	1,414
Payments in lieu of leave			1,042							
Sub Total - Other Municipal Staff		31,794	38,046	63,392	70,950	58,403	58,403	73,836	77,903	82,038
% increase	4		19.7%	66.6%	11.9%	(17.7%)	–	26.4%	5.5%	5.3%
Total Parent Municipality		40,626	45,022	73,833	84,274	71,728	71,728	86,950	91,732	96,594
			10.8%	64.0%	14.1%	(14.9%)	–	21.2%	5.5%	5.3%
TOTAL SALARY, ALLOWANCES & BENEFITS		40,626	45,022	73,833	84,274	71,728	71,728	86,950	91,732	96,594
% increase	4		10.8%	64.0%	14.1%	(14.9%)	–	21.2%	5.5%	5.3%
TOTAL MANAGERS AND STAFF	5,7	36,403	40,802	69,629	78,879	66,333	66,333	81,242	85,710	90,253

DC25 Amajuba - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,502,087		18,000	210,292		1,730,380
Chief Finance Officer			816,429		18,000	114,300		948,729
Director Engineering			1,088,828		18,000	152,436		1,259,264
Director Planning & Development			1,088,828		18,000	152,436		1,259,264
Director Corporate Services			816,429		18,000	114,300		948,729
Director Community Services			1,088,828		18,000	152,436		1,259,264
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	6,401,430	–	108,000	896,200		7,405,630
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	6,401,430	–	108,000	896,200		7,405,630

DC25 Amajuba - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		25	–	25	25	–	25	25		25
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6		6	6		6	6		6
Other Managers	7									
Professionals		*93*	*88*	*5*	*124*	*116*	*8*	*124*	*116*	*8*
Finance		23	18	5	28	23	5	28	23	5
Spatial/town planning		–	–		17	17	–	17	17	–
Information Technology		2	2	–	3	2	1	3	2	1
Roads										
Electricity										
Water		68	68	–	76	74	2	76	74	2
Sanitation										
Refuse										
Other										
Technicians		*81*	*81*	*–*	*82*	*72*	*10*	*93*	*83*	*10*
Sanitation										
Refuse										
Other		81	81		82	72	10	93	83	10
Clerks (Clerical and administrative)										
TOTAL PERSONNEL NUMBERS	9	205	169	36	237	188	49	248	199	49
% increase					15.6%	11.2%	36.1%	4.6%	5.9%	–
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

DC25 Amajuba - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source	-															
Service charges - water revenue		1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	21,869	23,072	24,294
Service charges - sanitation revenue		379	379	379	379	379	379	379	379	379	379	379	379	4,542	4,792	5,046
Rental of facilities and equipment		26	26	26	26	26	26	26	26	26	26	26	26	314	331	348
Interest earned - external investments		29	29	29	29	29	29	29	29	29	29	29	29	350	369	389
Interest earned - outstanding debtors		101	101	101	101	101	101	101	101	101	101	101	101	1,210	1,277	1,344
Transfers recognised - operational		10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	128,624	133,781	141,675
Other revenue		782	782	782	782	782	782	782	782	782	782	782	782	9,383	9,473	9,976
Gains on disposal of PPE													–	–	–	–
Total Revenue (excluding capital transfers and contributions)		13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	166,291	173,094	183,073
Expenditure By Type	-															
Employee related costs		6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	81,242	85,710	90,253
Remuneration of councillors		476	476	476	476	476	476	476	476	476	476	476	476	5,708	6,022	6,342
Debt impairment		150	150	150	150	150	150	150	150	150	150	150	150	1,800	1,800	2,500
Depreciation & asset impairment		224	224	224	224	224	224	224	224	224	224	224	224	2,685	2,839	2,993
Finance charges		307	307	307	307	307	307	307	307	307	307	307	307	3,686	3,908	3,967
Bulk purchases		792	792	792	792	792	792	792	792	792	792	792	792	9,509	10,032	10,564
Contracted services		1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	12,750	11,539	11,938
Other expenditure		3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	47,395	50,146	52,539
Loss on disposal of PPE													–	–	–	–
Total Expenditure		13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	164,775	171,996	181,096
Surplus/(Deficit)		126	126	126	126	126	126	126	126	126	126	126	126	1,516	1,097	1,977
Transfers recognised - capital		5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,798	61,146	64,371
Contributions recognised - capital		726	726	726	726	726	726	726	726	726	726	726	726	8,717	30	20
Contributed assets		(5,876)	(5,876)	(5,876)	(5,876)	(5,876)	(5,876)	(5,876)	(5,876)	(5,876)	(5,876)	(5,876)	(5,876)	(70,515)	(61,176)	(64,391)
Surplus/(Deficit) after capital transfers & contributions		126	126	126	126	126	126	126	126	126	126	126	126	1,516	1,097	1,977
Surplus/(Deficit)	1	126	126	126	126	126	126	126	126	126	126	126	126	1,516	1,097	1,977

DC25 Amajuba - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	Octo	Novem	December	Jan	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	-															
Vote 1 - COUNCIL SUPPORT AND EXECUTIVE COMMITTEE		1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	13,336	13,954	14,596
Vote 3 - DIRECTORATE:BUDGET AND TREASURY		5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	63,605	68,788	74,072
Vote 4 - DIRECTORATE:CORPORATE SERVICES		44	44	44	44	44	44	44	44	44	44	44	44	534	563	593
Vote 5 - DIRECTORATE:COMMUNITY SERVICES		4	4	4	4	4	4	4	4	4	4	4	4	50	53	56
Vote 6 - DIRECTORATE:COMMUNITY SERVICES		510	510	510	510	510	510	510	510	510	510	510	510	6,117	6,401	6,695
Vote 9 - DIRECTORATE:ECONOMIC DEVELOPMENT AND PLANNING		21	21	21	21	21	21	21	21	21	21	21	21	250	400	–
Vote 10 - DIRECTORATE:ENGINEERING SERVICES		167	167	167	167	167	167	167	167	167	167	167	167	2,007	2,064	2,201
Vote 11 - DIRECTORATE:ENGINEERING SERVICES		6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	80,393	80,871	84,861
Total Revenue by Vote		13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	166,291	173,094	183,073
Expenditure by Vote to be appropriated	-															
Vote 1 - COUNCIL SUPPORT AND EXECUTIVE COMMITTEE		512	512	512	512	512	512	512	512	512	512	512	512	6,143	6,487	6,835
Vote 2 - DIRECTORATE :MUNICIPAL MANAGER		917	917	917	917	917	917	917	917	917	917	917	917	11,005	11,610	12,226
Vote 3 - DIRECTORATE:BUDGET AND TREASURY		1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	14,669	15,428	16,182
Vote 4 - DIRECTORATE:CORPORATE SERVICES		2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	25,807	26,433	27,844
Vote 5 - DIRECTORATE:COMMUNITY SERVICES		707	707	707	707	707	707	707	707	707	707	707	707	8,486	8,952	9,427
Vote 6 - DIRECTORATE:COMMUNITY SERVICES		276	276	276	276	276	276	276	276	276	276	276	276	3,309	3,491	3,676
Vote 7 - DIRECTORATE:COMMUNITY SERVICES		55	55	55	55	55	55	55	55	55	55	55	55	660	696	733
Vote 8 - DIRECTORATE:COMMUNITY SERVICES		462	462	462	462	462	462	462	462	462	462	462	462	5,548	5,853	6,163
Vote 9 - DIRECTORATE:ECONOMIC DEVELOPMENT AND PLANNING		1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	19,936	20,843	21,948
Vote 10 - DIRECTORATE:ENGINEERING SERVICES		950	950	950	950	950	950	950	950	950	950	950	950	11,401	11,974	12,637
Vote 11 - DIRECTORATE:ENGINEERING SERVICES		4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	57,812	60,228	63,425
Total Expenditure by Vote		13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	164,775	171,996	181,096
Surplus/(Deficit) before assoc.		126	126	126	126	126	126	126	126	126	126	126	126	1,516	1,097	1,977
Surplus/(Deficit)	1	126	126	126	126	126	126	126	126	126	126	126	126	1,516	1,097	1,977

DC25 Amajuba - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard	-															
Governance and administration		6,456	6,456	6,456	6,456	6,456	6,456	6,456	6,456	6,456	6,456	6,456	6,456	77,474	83,305	89,260
Executive and council		1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	13,336	13,954	14,596
Budget and treasury office		5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	63,605	68,788	74,072
Corporate services		44	44	44	44	44	44	44	44	44	44	44	44	534	563	593
Community and public safety		514	514	514	514	514	514	514	514	514	514	514	514	6,167	6,454	6,751
Community and social services		4	4	4	4	4	4	4	4	4	4	4	4	50	53	56
Health		510	510	510	510	510	510	510	510	510	510	510	510	6,117	6,401	6,695
Economic and environmental services		188	188	188	188	188	188	188	188	188	188	188	188	2,257	2,464	2,201
Planning and development		21	21	21	21	21	21	21	21	21	21	21	21	250	400	–
Road transport		167	167	167	167	167	167	167	167	167	167	167	167	2,007	2,064	2,201
Trading services		6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	80,393	80,871	84,861
Water		6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	80,393	80,871	84,861
Total Revenue - Standard		13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	166,291	173,094	183,073
Expenditure - Standard	-															
Governance and administration		4,802	4,802	4,802	4,802	4,802	4,802	4,802	4,802	4,802	4,802	4,802	4,802	57,624	59,959	63,087
Executive and council		1,429	1,429	1,429	1,429	1,429	1,429	1,429	1,429	1,429	1,429	1,429	1,429	17,149	18,098	19,061
Budget and treasury office		1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	14,669	15,428	16,182
Corporate services		2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	2,151	25,807	26,433	27,844
Community and public safety		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,002	18,992	19,999
Community and social services		762	762	762	762	762	762	762	762	762	762	762	762	9,146	9,649	10,160
Public safety		462	462	462	462	462	462	462	462	462	462	462	462	5,548	5,853	6,163
Health		276	276	276	276	276	276	276	276	276	276	276	276	3,309	3,491	3,676
Economic and environmental services		2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	31,337	32,817	34,584
Planning and development		1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	19,936	20,843	21,948
Road transport		950	950	950	950	950	950	950	950	950	950	950	950	11,401	11,974	12,637
Trading services		4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	57,812	60,228	63,425
Water		4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	57,812	60,228	63,425
Total Expenditure - Standard		13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	164,775	171,996	181,096
Surplus/(Deficit) before assoc.		126	126	126	126	126	126	126	126	126	126	126	126	1,516	1,097	1,977
Surplus/(Deficit)	1	126	126	126	126	126	126	126	126	126	126	126	126	1,516	1,097	1,977

DC25 Amajuba - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Multi-year expenditure</u> *to be appropriated*	1															
Vote 1 - COUNCIL SUPPORT AND EXECUTIVE COMMITTEE													–	–	–	–
Vote 2 - DIRECTORATE :MUNICIPAL MANAGER													–	–	–	–
Vote 3 - DIRECTORATE:BUDGET AND TREASURY		4	4	4	4	4	4	4	4	4	4	4	4	50	30	20
Vote 4 - DIRECTORATE:CORPORATE SERVICES		707	707	707	707	707	707	707	707	707	707	707	707	8,487	–	–
Vote 9 - DIRECTORATE:ECONOMIC DEVELOPMENT AND PLANNING		15	15	15	15	15	15	15	15	15	15	15	15	180	–	–
Vote 10 - DIRECTORATE:ENGINEERING SERVICES													–	–	–	–
Vote 11 - DIRECTORATE:ENGINEERING SERVICES		5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,798	61,146	64,371
Capital multi-year expenditure sub-total	2	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	70,515	61,176	64,391
Capital single-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	2	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	70,515	61,176	64,391

DC25 Amajuba - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
Governance and administration		711	711	711	711	711	711	711	711	711	711	711	711	8,537	30	20
Executive and council													–	–	–	–
Budget and treasury office		4	4	4	4	4	4	4	4	4	4	4	4	50	30	20
Corporate services		707	707	707	707	707	707	707	707	707	707	707	707	8,487	–	–
Economic and environmental services		15	15	15	15	15	15	15	15	15	15	15	15	180	–	–
Planning and development		15	15	15	15	15	15	15	15	15	15	15	15	180	–	–
Road transport													–	–	–	–
Environmental protection													–	–	–	–
Trading services		5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,798	61,146	64,371
Electricity													–	–	–	–
Water		5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,798	61,146	64,371
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Capital Expenditure - Standard	2	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	70,515	61,176	64,391
Funded by:																
National Government		5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,798	61,146	64,371
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Other transfers and grants													–	–	–	–
Transfers recognised - capital		5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,798	61,146	64,371
Public contributions & donations													–	–	–	–
Borrowing		636	636	636	636	636	636	636	636	636	636	636	636	7,637	–	–
Internally generated funds		90	90	90	90	90	90	90	90	90	90	90	90	1,080	30	20
Total Capital Funding		5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	70,515	61,176	64,391

DC25 Amajuba - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Cash Receipts By Source</u>													1		
Service charges - water revenue	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	21,869	23,072	24,294
Service charges - sanitation revenue	379	379	379	379	379	379	379	379	379	379	379	379	4,542	4,792	5,046
Rental of facilities and equipment	26	26	26	26	26	26	26	26	26	26	26	26	314	331	348
Interest earned - external investments	29	29	29	29	29	29	29	29	29	29	29	29	350	369	389
Interest earned - outstanding debtors	101	101	101	101	101	101	101	101	101	101	101	101	1,210	1,277	1,344
Transfer receipts - operational	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	10,719	128,624	133,781	141,675
Other revenue	782	782	782	782	782	782	782	782	782	782	782	782	9,383	9,473	9,976
Cash Receipts by Source	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	13,858	166,291	173,094	183,073
Other Cash Flows by Source															
Transfer receipts - capital	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,798	61,146	64,371
Contributions recognised - capital & Contributed assets	90	90	90	90	90	90	90	90	90	90	90	90	1,080	30	20
Borrowing long term/refinancing	636	636	636	636	636	636	636	636	636	636	636	636	7,637	–	–
Total Cash Receipts by Source	19,734	19,734	19,734	19,734	19,734	19,734	19,734	19,734	19,734	19,734	19,734	19,734	236,806	234,270	247,464
<u>Cash Payments by Type</u>															
Employee related costs	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	6,770	81,242	85,710	90,253
Remuneration of councillors	476	476	476	476	476	476	476	476	476	476	476	476	5,708	6,022	6,342
Finance charges	307	307	307	307	307	307	307	307	307	307	307	307	3,686	3,908	3,967
Bulk purchases - Water & Sewer	792	792	792	792	792	792	792	792	792	792	792	792	9,509	10,032	10,564
Contracted services	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	12,750	11,539	11,938
Other expenditure	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	4,323	51,880	54,785	58,032
Cash Payments by Type	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	13,731	164,775	171,996	181,096
Other Cash Flows/Payments by Type															
Capital assets	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	5,876	70,515	61,176	64,391
Total Cash Payments by Type	19,608	19,608	19,608	19,608	19,608	19,608	19,608	19,608	19,608	19,608	19,608	19,608	235,290	233,172	245,487
NET INCREASE/(DECREASE) IN CASH HELD	126	126	126	126	126	126	126	126	126	126	126	126	1,516	1,097	1,977
Cash/cash equivalents at the month/year begin:	330	457	583	709	836	962	1,088	1,215	1,341	1,467	1,594	1,720	330	1,847	2,944
Cash/cash equivalents at the month/year end:	457	583	709	836	962	1,088	1,215	1,341	1,467	1,594	1,720	1,847	1,847	2,944	4,921

DC25 Amajuba - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
-										
Infrastructure		49,513	8,315	7,626	54,904	58,369	58,369	51,798	47,510	52,381
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Water		49,513	8,315	7,626	20,179	38,395	38,395	36,825	35,133	38,965
Dams & Reservoirs		49,513	8,315	7,626	13,316	31,531	31,531	36,825	35,133	38,965
Water purification										
Reticulation					6,863	6,863	6,863			
Infrastructure - Sanitation		–	–	–	32,704	17,954	17,954	13,721	7,998	8,916
Reticulation					32,704	17,954	17,954	13,721	7,998	8,916
Sewerage purification										
Infrastructure - Other		–	–	–	2,020	2,020	2,020	1,252	4,379	4,500
Other	3				2,020	2,020	2,020	1,252	4,379	4,500
Community		–	–	–	–	13,664	13,664	10,000	13,636	11,990
Fire, safety & emergency						13,664	13,664	10,000	13,636	11,990
Other assets		–	–	–	1,500	1,600	1,600	8,717	30	20
General vehicles								7,637		
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Furniture and other office equipment						100	100	1,080	30	20
Other Buildings					1,500	1,500	1,500			
Other *(list sub-class)*										
Total Capital Expenditure on new assets	1	49,513	8,315	7,626	56,404	73,633	73,633	70,515	61,176	64,391

DC25 Amajuba - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Other assets		906	1,031	4,230	3,770	6,253	6,253	8,210	9,362	9,629
General vehicles										
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment										
Surplus Assets - (Investment or Inventory)										
Other		906	1,031	4,230	3,770	6,253	6,253	8,210	9,362	9,629
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	906	1,031	4,230	3,770	6,253	6,253	8,210	9,362	9,629
Specialised vehicles		–	–	–	–	–	–	–	–	–
Ambulances										
R&M as a % of PPE		*1.4%*	*1.7%*	*1.3%*	*2.5%*	*4.2%*	*4.2%*	*2.2%*	*2.5%*	*2.6%*
R&M as % Operating Expenditure		*0.5%*	*0.5%*	*0.7%*	*2.7%*	*4.3%*	*4.3%*	*5.0%*	*5.4%*	*5.3%*

DC25 Amajuba - Supporting Table SA34d Depreciation by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation by Asset Class/Sub-class										
- Infrastructure		–	–	–	–	–	–	–	–	–
Other assets		5,381	5,162	27,598	5,162	5,455	5,455	2,685	2,839	2,993
General vehicles										
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		5,381	5,162	27,598	5,162	5,455	5,455	2,685	2,839	2,993
Agricultural assets		–	–	–	–	–	–	–	–	–
Total Depreciation	1	5,381	5,162	27,598	5,162	5,455	5,455	2,685	2,839	2,993

Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse										
Fire										
Conservancy										
Ambulances										

DC25 Amajuba - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure	1							
Vote 1 - COUNCIL SUPPORT AND EXECUTIVE COMMITTEE		–	–	–				
Vote 2 - DIRECTORATE :MUNICIPAL MANAGER		–	–	–				
Vote 3 - DIRECTORATE:BUDGET AND TREASURY		50	30	20				
Vote 4 - DIRECTORATE:CORPORATE SERVICES		8,487	–	–				
Vote 5 - DIRECTORATE:COMMUNITY SERVICES		–	–	–				
Vote 6 - DIRECTORATE:COMMUNITY SERVICES		–	–	–				
Vote 7 - DIRECTORATE:COMMUNITY SERVICES		–	–	–				
Vote 8 - DIRECTORATE:COMMUNITY SERVICES		–	–	–				
Vote 9 - DIRECTORATE:ECONOMIC DEVELOPMENT AND PLANNING		180	–	–				
Vote 10 - DIRECTORATE:ENGINEERING SERVICES		–	–	–				
Vote 11 - DIRECTORATE:ENGINEERING SERVICES		61,798	61,146	64,371				
List entity summary if applicable								
Total Capital Expenditure		70,515	61,176	64,391	–	–	–	–
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		70,515	61,176	64,391	–	–	–	–

DC25 Amajuba - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	Prior year outcomes: Audited Outcome 2013/14	Prior year outcomes: Current Year 2014/15 Full Year Forecast	2015/16 Medium Term Revenue & Expenditure Framework: Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality: *List all capital projects grouped by Municipal Vote*												
MIG INFRASTRUCTURE	E1	EMADLANGENI SANITATION-MIG;	P001		Yes	*Infrastructure - Sanitation*	*Sewerage purification*	7,626	11,954	5,824	7,998	8,916
MIG INFRASTRUCTURE	E2	DISASTER MANAGEMENT -MIG FUNDING	P002		Yes	*Community*	*Fire, safety & emergency*		13,664	10,000	13,636	11,990
MIG INFRASTRUCTURE	E3	BUFFALO FLATS WATER -PHASE 3	P003		Yes	*Infrastructure - Water*	*Dams & Reservoirs*		8,101	15,000	20,000	23,000
MIG INFRASTRUCTURE	E4	BUFFALO FLATS SANITATION;TRA	P004		Yes	*Infrastructure - Sanitation*	*Sewerage purification*		16,000	7,897		
MIG INFRASTRUCTURE	E5	ADM WSDP	P005		Yes	*Infrastructure - Other*	*Dams & Reservoirs*		1,930	2,000		
MUNICIPAL WATER INFRASTRUCTURE GRANT	E6	MWIG - Emadlangeni Rural Water Supply Phase 1	P006		Yes	*Infrastructure - Water*	*Dams & Reservoirs*		5,399	3,000	–	
MUNICIPAL WATER INFRASTRUCTURE GRANT	E7	MWIG - Emadlangeni Rural Water Supply Phase 2	P007		Yes	*Infrastructure - Water*	*Dams & Reservoirs*		9,986	7,000	9,150	10,100
MUNICIPAL WATER INFRASTRUCTURE GRANT	E8	Bufallo Flats Water Supply Scheme Phase 4	P008		Yes	*Infrastructure - Water*	*Dams & Reservoirs*		1,237	2,000		
WCWDM Master Plan	E9	WCWDM Master Plan	P009		Yes	*Infrastructure - Water*	*Dams & Reservoirs*		2,243	7,825	5,983	5,865
PUBLIC WORKS	E10	PUBLIC WORKS	P010		Yes	*Infrastructure - Other*	*Other*		1,276	1,252	–	–
RURAL Households Sanitation(DOHS)	E11	RURAL Households Sanitation(DOHS)	P011		Yes	*Infrastructure - Other*	*Housing development*		1,465	–	4,379	4,500
FLEET INFRSTRUCTURE MANAGEMENT	E12	FLEET MANAGEMENT	P012		Yes	*Other Assets*	*General vehicles*		–	7,637		
OFFICE FURNITURE AND BUILDINGS	E13	OFFICE FURNITURE AND EQUIPMENT	P013		Yes	*Other Assets*	*Furniture and other office equipment*		100	1,080	30	20
CALL CENTRE	E14	CALL CENTRE	PO14		Yes	*Infrastructure - Other*	*Fire, safety & emergency*		1,500			
Parent Capital expenditure	1									70,515	61,176	64,391
Total Capital expenditure								7,626	74,856	70,515	61,176	64,391

Municipal manager's quality certificate

I, LINDA M. AFRICA, Municipal Manager of Amajuba District Municipality, hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : LINDA M. AFRICA

Municipal manager of : Amajuba District Municipality (DC 25)

Signature ___________________________________

Date : _______________________________

END OF REPORT